

REPORT OF AUDIT

TOWNSHIP OF SPARTA

COUNTY OF SUSSEX

DECEMBER 31, 2024

TOWNSHIP OF SPARTA, N.J.
YEAR ENDED DECEMBER 31, 2024

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TOWNSHIP OF SPARTA

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2024



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Township Council
Township of Sparta
Sparta, NJ 07871

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Sparta in the County of Sussex, as of December 31, 2024 and 2023, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Township of Sparta as of December 31, 2024 and 2023, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Sparta, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



Honorable Mayor and
Members of the Township Council
Page 2.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Sparta on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 14 of the financial statements, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the Trust Fund Statements of \$512,928.66 and \$448,648.87 for 2024 and 2023, respectively, were not audited and, therefore, we express no opinion on the LOSAP program. As described in Finding 2024-001, the Township's general ledger did not include all transactions that occurred during the year resulting in general ledgers and subsidiary ledgers being unreliable.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters described in the "*Basis for Qualified Opinion on Regulatory Basis of Accounting*" paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2024 and 2023, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2024 in accordance with the basis of financial reported prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Sparta's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Honorable Mayor and
Members of the Township Council
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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Sparta's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025 on our consideration of the Township of Sparta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Sparta's internal control over financial reporting and compliance.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

September 29, 2025



Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Assets			
Current Fund:			
Cash-Treasurer	A-4	\$10,067,241.17	\$10,538,987.10
Change Fund	A-5	450.00	450.00
		<u>10,067,691.17</u>	<u>10,539,437.10</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	1,384,345.11	1,177,269.35
Tax Title Liens	A-9	227,309.28	209,116.75
Property Acquired for Taxes -			
Assessed Valuation	A-10	2,907,000.00	2,907,000.00
Revenue Accounts Receivable	A-11	10,360.12	-
Interfund Accounts Receivable	A-12	491,486.01	491,486.01
		<u>5,020,500.52</u>	<u>4,784,872.11</u>
Deferred Charges:			
Emergency Authorization	A-13	50,000.00	175,000.00
Overexpenditure of Trust Reserve	A-13	43,324.60	6,637.00
Overexpenditure of Appropriation	A-13	1,709.03	-
		<u>95,033.63</u>	<u>181,637.00</u>
		<u>15,183,225.32</u>	<u>15,505,946.21</u>
Federal and State Grant Fund:			
Grants Receivable	A-20	390,226.06	472,942.77
Interfund - Current Fund	A-23	242,300.89	394,790.83
Interfund - Other Trust Fund	A-23	70,016.26	44,470.00
		<u>702,543.21</u>	<u>912,203.60</u>
		<u>\$15,885,768.53</u>	<u>\$16,418,149.81</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Current Fund:			
Appropriation Reserves:			
Unencumbered	A-3; A-14	\$ 513,885.05	\$ 1,164,926.06
Encumbered	A-3; A-14	273,287.82	446,452.08
Total Appropriation Reserves		787,172.87	1,611,378.14
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	47,778.63	45,778.63
Interfund Accounts Payable	A-12	2,914,860.38	831,688.51
Encumbrances Payable - Various Reserves	A-15	240,623.76	33,981.20
Prepaid Taxes	A-16	856,637.63	673,774.25
County Tax Payable	A-18	36,344.19	58,730.50
Tax Overpayments	A-19	68,743.36	51,188.03
Due to State of New Jersey:			
Construction Code Surcharge	A-19	19,247.00	8,970.00
Lead Inspection Fees	A-19	245.00	-
Marriage License Surcharge	A-19	850.00	650.00
Reserve for:			
Municipal Relief Funds	A-19	-	128,861.68
		4,972,502.82	3,445,000.94
Reserve for Receivables	Contra	5,020,500.52	4,784,872.11
Fund Balance	A-1	5,190,221.98	7,276,073.16
		15,183,225.32	15,505,946.21
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-21	273,018.50	684,290.40
Unappropriated Reserve for Grants	A-22	230,021.64	184,934.78
Encumbrances Payable	A-24	199,503.07	42,978.42
		702,543.21	912,203.60
		<u>\$15,885,768.53</u>	<u>\$16,418,149.81</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

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Page 1 of 2

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 4,750,000.00	\$ 5,000,000.00
Miscellaneous Revenue Anticipated	A-2	5,667,541.32	5,211,529.73
Receipts from Delinquent Taxes	A-2	1,131,760.25	959,823.52
Receipts from Current Taxes	A-2	109,141,670.48	106,221,598.66
Non-Budget Revenue	A-2	242,733.86	198,221.17
Other Credits to Income:			
Refund of Prior Year Expenses	A-4	50,780.89	-
Return of Raised Deficit for Sewer Operating	A-12	25,861.37	-
Statutory Excess in Animal Control	A-12	9,257.97	-
Interfunds Returned	A-12	907,000.00	34,715.56
Cancellation of Accounts Payable		-	8,975.70
Unexpended Balance of Appropriation			
Reserves	A-14	<u>577,318.12</u>	<u>504,567.95</u>
Total Revenues and Other Income		<u>122,503,924.26</u>	<u>118,139,432.29</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	10,985,724.00	10,133,683.00
Other Expenses	A-3	7,655,601.03	8,225,415.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within "CAPS"	A-3	3,452,857.74	3,064,122.00
Operations - Excluded from "CAPS"			
Salaries and Wages	A-3	536,747.00	503,157.00
Other Expenses	A-3	1,749,844.00	1,552,048.73
Capital Improvement Fund	A-3	3,000,000.00	3,000,000.00
Municipal Debt Service	A-3	965,097.05	1,396,522.00
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from "CAPS"	A-3	175,000.00	60,000.00
Cancel Reconciling Items	A-4	158,719.20	-
Interfund Advances	A-12	491,486.01	907,000.00
Municipal Open Space Tax including Added Taxes	A-12	342,385.17	342,191.37
Encumbrances Payable - Various	A-15	20,642.85	-
Local District School Tax	A-17	71,357,944.00	68,940,563.00
County Taxes including Added Taxes	A-18	<u>18,999,436.42</u>	<u>18,952,862.58</u>
Total Expenditures		<u>119,891,484.47</u>	<u>117,077,564.68</u>
Excess (Deficit) Revenue Over Expenditures		2,612,439.79	1,061,867.61

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.**A-1**
Page 2 of 2**Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis****Current Fund****Year Ended December 31,**

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year		51,709.03	175,000.00
Statutory Excess to Fund Balance		2,664,148.82	1,236,867.61
Fund Balance, January 1,	A	7,276,073.16	11,039,205.55
		9,940,221.98	12,276,073.16
Decreased by:			
Fund Balance Utilized as Budget Revenue		4,750,000.00	5,000,000.00
Fund Balance, December 31,	A	\$ 5,190,221.98	\$ 7,276,073.16

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	Ref.	Budget	Appropriated by: 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 4,750,000.00	\$ -	\$ 4,750,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	15,928.00	-	16,280.00	352.00
Other	A-11	15,000.00	-	23,199.00	8,199.00
Fees and Permits	A-2	1,182,400.00	-	1,269,324.00	86,924.00
Fines and Costs:					
Municipal Court	A-11	125,000.00	-	153,864.63	28,864.63
Interest and Costs on Taxes	A-6	240,000.00	-	271,934.10	31,934.10
Interest on Investments and Deposits	A-11	875,000.00	-	921,256.19	46,256.19
Energy Receipts	A-11	1,243,961.00	-	1,250,153.00	6,192.00
Watershed Moratorium Offset	A-11	29,328.00	-	29,328.00	-
Garden State Trust	A-11	35,066.00	-	35,066.00	-
Municipal Relief Funds	A-11	128,889.00	-	128,861.68	(27.32)
Uniform Construction Code Fees	A-11	525,000.00	-	614,293.00	89,293.00
Other Municipalities Share of Radio System Costs	A-11	308,382.00	-	308,222.00	(160.00)
Township of Hardyston - Finance Officer	A-11	49,940.00	-	38,209.50	(11,730.50)
Township of Hardyston MUA - Finance Officer	A-11	4,325.00	-	3,594.15	(730.85)
Township of Hardyston BOE - Finance Officer	A-11	-	-	360.83	360.83
Township of Byram - Fire Prevention	A-11	16,000.00	-	20,159.00	4,159.00
Municipal Court Hamburg	A-11	70,000.00	-	72,828.00	2,828.00
Municipal Court Ogdensburg	A-11	40,000.00	-	40,000.00	-
Public and Private Revenues:					
Recycling Tonnage Grant	A-20	46,282.00	-	46,282.00	-
Clean Communities Program	A-20	55,703.00	-	55,703.00	-
Alcohol Education and Rehabilitation Fund	A-20	389.00	-	389.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-20	16,042.00	-	16,042.00	-
Body Armor Grant	A-20	2,611.00	-	2,611.00	-
Drive Sober or Get Pulled Over	A-20	3,000.00	-	3,000.00	-
Highway Traffic Safety	A-20	15,000.00	-	15,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse Local	A-20	10,413.00	-	10,413.00	-
ARP - Assistance to Firefighters	A-20	-	50,000.00	50,000.00	-
Automated License Plate Reader	A-20	-	68,800.00	68,800.00	-
Other Special Items:					
PILOT - Senior Citizens Housing	A-11	5,500.00	-	24,794.50	19,294.50
Uniform Fire Safety	A-11	53,000.00	-	85,604.74	32,604.74
Fire Prevention Fees	A-11	35,000.00	-	40,790.00	5,790.00
Cable TV Franchise	A-11	50,125.00	-	51,179.00	1,054.00
Total Miscellaneous Revenues	A-1	5,197,284.00	118,800.00	5,667,541.32	351,457.32
Receipts from Delinquent Taxes	A-1;A-2	1,000,000.00	-	1,131,760.25	131,760.25
Subtotal General Revenues		10,947,284.00	118,800.00	11,549,301.57	483,217.57
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes		18,344,637.91	-	19,141,271.60	796,633.69
Minimum Library Tax	A-2	1,446,604.00	-	1,446,604.00	-
A-2		19,791,241.91	-	20,587,875.60	796,633.69
Budget Totals		30,738,525.91	118,800.00	32,137,177.17	1,279,851.26
Non-Budget Revenue	A-1;A-2	-	-	242,733.86	242,733.86
		\$ 30,738,525.91	\$ 118,800.00	\$ 32,379,911.03	\$ 1,522,585.12
		A-3	A-3		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2024

Analysis of Realized Revenues

	<u>Ref</u>	
Revenue from Collections	A-1; A-8	\$ 109,141,670.48
Allocated to School, County and Open Space Taxes	A-8	<u>90,699,765.59</u>
Balance for Support of Municipal Budget Appropriations		18,441,904.89
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>2,145,970.91</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 20,587,875.80</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	\$ 1,130,677.43
Tax Title Liens	A-9	<u>1,082.82</u>
		<u>\$ 1,131,760.25</u>
		A-2
Fees and Permits - Other:		
Board of Health - Registrar	A-11	\$ 11,423.00
Board of Health - Sewer	A-11	19,100.00
Marriage License	A-11	414.00
Clerk	A-11	5,138.00
Zoning	A-11	23,345.00
Planning Board	A-11	15,415.70
Tax Assessor	A-11	810.00
Police	A-11	46,820.90
Leaf Bags	A-11	2,294.00
Cell Tower	A-11	331,401.16
Quarry Royalties	A-11	<u>813,162.24</u>
		<u>\$ 1,269,324.00</u>
		A-2

Analysis of Non-budget Revenues

Miscellaneous Reimbursements	\$ 39,872.58
NSF Check Fees	9,454.02
Admin Fees - Police O/S Detail	11,263.40
Admin Fee - Senior & Veteran Deduction	1,865.00
Proceeds from Sale of Assets	18,696.00
Vacant Property Fee	52,250.00
FEMA Reimbursements	50,871.34
LOSAP Funds Returned	49,474.24
Interest on Assessments	7,559.76
Charging Station	<u>1,427.52</u>
	A-4
	\$ 242,733.86
	A-2

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

Ref.	General Appropriations	Appropriated		Expended		Unexpended Balance Cancelled	Over- expended			
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved					
Operations - within "CAPS"										
General Government Functions:										
General Administration	\$ 283,977.00	\$ 307,977.00	\$ 307,798.25	\$ 178.75	\$ 3,075.03					
Salaries and Wages	\$ 16,742.00	\$ 15,792.00	\$ 12,716.97							
Other Expenses										
Purchasing	\$ 81,645.00	\$ 54,445.00	\$ 44,728.49		\$ 9,716.51					
Other Expenses										
Township Council	\$ 31,302.00	\$ 31,302.00	\$ 31,000.06		\$ 301.94					
Salaries and Wages	\$ 80,222.00	\$ 75,172.00	\$ 75,073.04		\$ 98.96					
Township Clerk										
Salaries and Wages										
Other Expenses										
Elections	\$ 198,678.00	\$ 210,678.00	\$ 210,470.62		\$ 207.38					
Salaries and Wages	\$ 20,400.00	\$ 22,200.00	\$ 20,768.90		\$ 1,431.10					
Other Expenses										
Elections										
Salaries and Wages										
Other Expenses										
Other Expenses	\$ 17,510.00	\$ 15,710.00	\$ 15,003.56		\$ 706.44					
Financial Administration										
Salaries and Wages	\$ 220,075.00	\$ 334,075.00	\$ 333,730.02		\$ 344.98					
Other Expenses	\$ 45,000.00	\$ 51,000.00	\$ 47,992.15		\$ 3,007.85					
Annual Audit	\$ 30,000.00	\$ 14,700.00	\$ 6,012.50		\$ 8,687.50					
Computerized Data Processing										
Salaries and Wages	\$ 163,033.00	\$ 152,533.00	\$ 152,065.98		\$ 467.02					
Other Expenses	\$ 104,500.00	\$ 99,000.00	\$ 87,859.04		\$ 11,140.96					
Collection of Taxes										
Salaries and Wages	\$ 187,861.00	\$ 220,461.00	\$ 220,449.95		\$ 11.05					
Other Expenses	\$ 32,500.00	\$ 25,000.00	\$ 21,101.80		\$ 3,898.20					
Assessment of Taxes										
Salaries and Wages	\$ 190,266.00	\$ 190,266.00	\$ 189,592.02		\$ 673.98					
Other Expenses	\$ 91,900.00	\$ 52,900.00	\$ 37,122.05		\$ 15,777.95					
Legal Services and Costs										
Other Expenses	\$ 173,000.00	\$ 187,000.00	\$ 186,884.74		\$ 115.26					

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

General Appropriations	Ref.	Appropriated		Expended		Unexpended Balance Cancelled	Over-expended
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
Municipal Court		199,920.00	177,920.00	177,794.91	125.09	-	-
Salaries and Wages		19,500.00	14,400.00	7,926.05	6,473.95	-	-
Other Expenses		-	-	-	-	-	-
Public Defender		15,453.00	3,453.00	820.05	2,632.95	-	-
Other Expenses		-	-	-	-	-	-
Engineering Services and Costs		-	-	-	-	-	-
Salaries and Wages		275,000.00	55,000.00	54,300.00	700.00	-	-
Other Expenses		275,000.00	77,000.00	72,086.56	4,913.44	-	-
Land Use and Administration:		-	-	-	-	-	-
Municipal Land Use Law (N.J.S.A. 40-55D-1):		-	-	-	-	-	-
Planning Board		70,000.00	50,600.00	49,972.89	627.11	-	-
Salaries and Wages		103,000.00	65,682.00	62,608.49	3,073.51	-	-
Other Expenses		-	-	-	-	-	-
Planning Department		225,000.00	272,250.00	272,210.95	39.05	-	-
Salaries and Wages		9,500.00	9,500.00	4,217.35	5,282.65	-	-
Other Expenses		-	-	-	-	-	-
Economic Development		-	-	-	-	-	-
Salaries and Wages		21,500.00	-	-	-	-	-
Other Expenses		13,800.00	15,600.00	13,690.00	1,910.00	-	-
Board of Adjustment		-	-	-	-	-	-
Salaries and Wages		60,000.00	-	-	-	-	-
Other Expenses		16,413.00	16,413.00	9,255.93	7,157.07	-	-
Insurance:		-	-	-	-	-	-
General Liability		360,000.00	349,000.00	348,919.00	81.00	-	-
Workers Compensation Insurance		281,000.00	281,000.00	274,686.00	6,314.00	-	-
Employee Group Health		3,325,000.00	3,661,800.00	3,657,122.97	4,677.03	-	-
Unemployment Compensation Insurance		1,000.00	-	-	-	-	-
Public Safety Functions:		-	-	-	-	-	-
Police		-	-	-	-	-	-
Salaries and Wages		4,700,000.00	4,870,100.00	4,870,091.12	8.88	-	-
Other Expenses		225,000.00	225,000.00	207,394.29	17,605.71	-	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

Ref.	Appropriated		Expended		Unexpended Balance Cancelled	Over- expended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
<u>General Appropriations</u>						
Purchase of Police Cars						
Police Dispatch/911						
Salaries and Wages	677,280.00	850,280.00	839,019.31	11,260.69		
Other Expenses	6,464.00	6,464.00	5,422.28	1,041.72		
Emergency Management Services						
Salaries and Wages	15,375.00	12,975.00	6,534.49	6,440.51		
Other Expenses	12,975.00					
Aid to Volunteer Fire Companies						
Other Expenses	16,810.00	16,810.00	16,809.92	0.08		
Aid to Volunteer Ambulance Companies						
Other Expenses	45,000.00	78,000.00	79,636.85	-		
Fire						
Other Expenses	67,670.00	67,670.00	56,653.07	11,016.93		
Fire Hydrant Service	13,000.00	-	-	-		
Uniform Fire Safety						
Salaries and Wages	68,000.00	47,000.00	46,339.51	660.49		
Other Expenses	7,250.00	3,750.00	2,834.28	915.72		
Municipal Prosecutor						
Other Expenses	39,380.00	53,380.00	52,827.33	552.67		
<u>Public Works Functions:</u>						
Road Repairs and Maintenance						
Salaries and Wages	738,166.00	975,441.00	975,161.52	279.48		
Other Expenses	240,000.00	139,000.00	115,656.77	23,343.23		
Garage and Trash Removal						
Other Expenses	56,685.00	15,185.00	14,207.44	977.56		
Public Building and Grounds						
Salaries and Wages	235,881.00	249,081.00	248,999.67	81.33		
Other Expenses	155,000.00	112,000.00	100,387.78	11,612.22		
Vehicle Maintenance						
Salaries and Wages	339,630.00	308,630.00	307,387.22	1,242.78		
Other Expenses	192,117.00	161,117.00	97,217.67	63,890.33		

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	Ref.	Appropriated		Expendited		Unexpended Balance Cancelled	Over- expended
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
<u>General Appropriations</u>							
Snow Removal							
Salaries and Wages		250,000.00	108,000.00	107,529.33	470.67		
Other Expenses		400,000.00	150,000.00	73,654.68	76,345.32		
DPW Administration							
Salaries and Wages		230,370.00	255,920.00	255,885.58	34.42		
Other Expenses		17,513.00	17,513.00	12,880.73	4,632.27		
Municipal Services Act - Condo Costs							
Other Expenses		56,200.00	30,200.00	29,463.86	736.14		
Health and Human Services Function:							
Health and Welfare Department							
Other Expenses		23,886.00	25,386.00	22,913.00	2,473.00		
Environmental Commission							
Salaries and Wages		2,200.00	-	-	-		
Other Expenses		3,125.00	3,125.00	1,549.46	1,575.54		
Animal Regulations							
Salaries and Wages		35,000.00	700.00	630.15	69.85		
Other Expenses		25,000.00	3,500.00	2,993.48	506.52		
Committee on Aging							
Salaries and Wages		89,500.00	36,000.00	35,192.32	807.68		
Other Expenses		30,042.00	30,042.00	25,429.68	4,612.32		
Parks and Recreation Functions:							
Recreation Services Functions							
Salaries and Wages		225,600.00	310,600.00	310,161.30	438.70		
Other Expenses		33,649.00	33,649.00	24,729.65	8,919.35		
Maintenance of Parks							
Salaries and Wages		564,910.00	569,910.00	567,384.00	2,526.00		
Other Expenses		138,459.00	138,459.00	110,679.43	27,779.57		
Utility Expenses and Bulk Purchases							
Electricity		150,000.00	159,100.00	159,040.45	59.55		
Street Lighting		80,000.00	82,400.00	82,348.05	51.95		
Telephone		140,000.00	111,000.00	102,592.06	8,407.94		

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	Ref.	Appropriated		Expended		Unexpended Balance Cancelled	Over- expended
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
General Appropriations							
Water		12,200.00	20,700.00	20,036.33	663.67		
Natural Gas		58,000.00	69,400.00	69,301.41	98.59		
Sewerage Processing and Disposal		10,000.00	10,000.00	9,523.96	476.04		
Gasoline		289,400.00	198,400.00	184,152.81	14,247.19		
State Uniform Construction Code:							
Construction Code Official							
Salaries and Wages		481,000.00	401,000.00	400,326.61	673.39		
Other Expenses		146,400.00	146,400.00	146,472.18	-		
Unclassified:							
Celebration of Public Events		30,000.00	30,000.00	25,246.39	4,753.61		
Other Expenses							
Accumulated Absences							
Other Expenses		200,000.00	207,000.00	206,912.62	87.38		
Total Operations within "CAPS"		18,818,934.00	18,639,616.00	18,222,625.33	418,699.70		
Detail:							
Salaries and Wages	A-1	10,784,624.00	10,985,724.00	10,963,493.29	22,230.71		
Other Expenses	A-1	8,034,310.00	7,653,892.00	7,259,132.04	396,468.99		
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"							
Deferred Charges		243,056.00	243,056.00	165,880.74	-	77,175.26	
Deficit in Sewer							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System		812,000.00	864,900.00	864,861.06	38.94		
Social Security System (O.A.S.I.)		839,834.00	892,834.00	873,923.40	18,910.60		
Police and Firemen's Retirement System of N.J.		1,406,425.00	1,529,243.00	1,529,243.00	-		
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	3,301,315.00	3,530,033.00	3,433,908.20	18,949.54	77,175.26	

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	Ref.	Appropriated		Expended		Unexpended Balance Cancelled	Over- expended
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
General Appropriations							
Total General Appropriations for Municipal Purposes within "CAPS"		<u>22,120,249.00</u>	<u>22,169,649.00</u>	<u>21,656,533.53</u>	<u>437,649.24</u>	<u>77,175.26</u>	<u>1,709.03</u>
Operations - Excluded from "CAPS"							
N.J.S.A. 40A:14-185 Length of Service Award Program		32,500.00	32,500.00	13,500.00		19,000.00	-
Maintenance of Free Public Library		1,446,604.00	1,399,104.00	1,068,580.69		330,523.31	-
Reserve for Tax Appeals		50,000.00	50,000.00	50,000.00			-
Interlocal Municipal Service Agreements:							
Other Municipalities Share of Radio System Costs							
Police Dispatch/911		308,382.00	308,382.00	308,382.00			-
Salaries and Wages							
Township of Hardyston - Finance Officer		49,940.00	49,940.00	49,940.00			-
Township of Hardyston MUA - Finance Officer		4,325.00	4,325.00	4,325.00			-
Salaries and Wages							
Township of Byram - Uniform Fire Safety		16,000.00	16,000.00	16,000.00			-
Salaries and Wages							
Borough of Hamburg - Municipal Court		70,000.00	118,100.00	118,099.68	0.32		-
Salaries and Wages							
Borough of Ogdensburg - Municipal Court		40,000.00	40,000.00	40,000.00			-
Salaries and Wages							
Public and Private Programs Offset by Revenues							
Recycling Tonnage Grant		46,282.00	46,282.00	46,282.00			-
Clean Communities Program		55,703.00	55,703.00	55,703.00			-
Alcohol Education and Rehabilitation Fund		389.00	389.00	389.00			-
Municipal Alliance on Alcoholism and Drug Abuse		16,042.00	16,042.00	16,042.00			-
Body Armor Grant		2,611.00	2,611.00	2,611.00			-
Drunk Driving Enforcement Fund		15,000.00	15,000.00	15,000.00			-
Drive Sober or Get Pulled Over		3,000.00	3,000.00	3,000.00			-
ARP - Assistance to Firefighters		-	50,000.00	50,000.00			-
Automated License Plate Reader		-	68,800.00	68,800.00			-

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

General Appropriations	Ref.	Appropriated		Expended		Unexpended Balance Cancelled	Over-expended
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
Matching Funds for Grants:							
Municipal Alliance on Alcoholism and Drug Abuse		10,413.00	10,413.00	10,413.00			
Other Expenses		2,167,191.00	2,286,591.00	1,937,067.37		349,523.63	
Total Operations - Excluded from "CAPS"							
Detail:							
Salaries & Wages	A-1	488,647.00	536,747.00	536,746.68	0.32		
Other Expenses	A-1	1,678,544.00	1,749,844.00	1,400,320.69	349,523.31		
Capital Improvements:							
Capital Improvement Fund							
Total Capital Improvements Excluded from "CAPS"	A-1	3,000,000.00	3,000,000.00	3,000,000.00			
Total Capital Improvements		3,000,000.00	3,000,000.00	3,000,000.00			
Municipal Debt Service:							
Payment of Bond Principal		515,000.00	740,000.00	740,000.00			
Payment of Bond Anticipation Notes		470,700.00	156,700.00			156,700.00	
Interest on Bonds		15,450.00	105,250.00	105,184.31		65.69	
Interest on Notes		128,965.00	128,165.00	119,912.74		8,252.26	
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,130,115.00	1,130,115.00	965,097.05		165,017.95	
Deferred Charges:							
Emergency Authorization		175,000.00	175,000.00	175,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	175,000.00	175,000.00	175,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		6,472,306.00	6,591,706.00	6,077,164.42	349,523.63	165,017.95	
Subtotal General Appropriations		28,592,555.00	28,761,355.00	27,733,697.95	787,172.87	242,193.21	1,709.03
Reserve for Uncollected Taxes		2,145,970.91	2,145,970.91	2,145,970.91			

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	General Appropriations	Appropriated		Expended		Unexpended Balance Cancelled	Over- expended
		Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
	Ref.	\$30,738,525.91	\$30,907,325.91	\$29,879,668.86	\$ 787,172.87	\$ 242,193.21	\$ 1,709.03
Total General Appropriations						A-1	A-13
	Analysis of Modified Budget						
Adopted Budget	A-2		\$30,738,525.91				
Appropriated by N.J.S.A. 40A:4-87	A-2		118,800.00				
Emergency Authorization (40A:4-47)	A-13		50,000.00				
			\$30,907,325.91				
	Ref.						
	Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2					\$ 2,145,970.91	
Cash Disbursed	A-4					27,280,044.95	
Matching Funds for Federal and State Grants	A-12					10,413.00	
Deferred Charges							
Emergency Authorization	A-13					175,000.00	
Reserve for Federal and State Grants	A-21					268,240.00	
			\$29,879,668.86				
	Analysis of Appropriation Reserves						
Unencumbered	A					\$ 513,885.05	
Encumbered	A					273,287.82	
			\$ 787,172.87				

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Assessment Trust Fund:			
Cash	B-3;B-5	\$ 86,817.60	\$ 92,390.02
Assessment Receivable	B-6	<u>409,490.74</u>	<u>479,876.58</u>
		<u>496,308.34</u>	<u>572,266.60</u>
Animal Control Trust Fund:			
Cash	B-3	54,679.73	45,564.02
Change Fund	B-4	<u>25.00</u>	<u>25.00</u>
		<u>54,704.73</u>	<u>45,589.02</u>
Other Trust Funds:			
Cash	B-3	7,765,400.75	6,718,709.31
Interfund - Current Fund	B-13	<u>-</u>	<u>427,277.70</u>
		<u>7,765,400.75</u>	<u>7,145,987.01</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash	B-3	471,988.66	411,388.87
Contributions Receivable	B-18	<u>40,940.00</u>	<u>37,260.00</u>
		<u>512,928.66</u>	<u>448,648.87</u>
Total Assets		<u>\$ 8,829,342.48</u>	<u>\$ 8,212,491.50</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

		<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund:			
NJDEP Loan Payable	B-7	\$ 355,093.78	\$ 409,723.60
Reserve for Assessments and Liens	B-8	133,654.80	133,654.80
Assessment Overpayments	B-9	-	28,888.20
Interfund - Current Fund	B-11	7,559.76	-
		<u>496,308.34</u>	<u>572,266.60</u>
Animal Control Trust Fund:			
Prepaid Licenses	B-10	10,737.00	10,593.00
Interfund - Current Fund	B-12	9,839.00	-
Reserve for Animal Control			
Fund Expenditures	B-14	32,079.33	33,990.26
Due to State Department of Health	B-15	41.40	28.80
Reserve for Encumbrances	B-17	2,008.00	976.96
		<u>54,704.73</u>	<u>45,589.02</u>
Other Trust Fund:			
Interfund - Current Fund	B-13	148,349.99	-
Interfund - Federal and State Grant Func	B-13	70,016.26	44,470.00
Interfund - Water Operating Fund	B-13	25,916.20	25,916.20
Interfund - Sewer Operating Fund	B-13	3,143.30	3,143.30
Interfund - Solid Waste Operating Fund	B-13	12,306.32	12,306.32
Various Reserves	B-16	7,133,971.27	6,784,747.74
Reserve for Encumbrances	B-17	371,697.41	275,403.45
		<u>7,765,400.75</u>	<u>7,145,987.01</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-19	<u>512,928.66</u>	<u>448,648.87</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,829,342.48</u>	<u>\$ 8,212,491.50</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Sparta, N.J.**Statement of Revenues - Regulatory Basis****Assessment Trust Fund****Year Ended December 31, 2024**

	<u>Budget</u> <u>Revenue</u>	<u>Realized</u>
Assessment Cash	\$ 54,629.82 B-2	\$ 54,629.82 B-2

Statement of Expenditures - Regulatory Basis**Assessment Trust Fund****Year Ended December 31, 2024**

	<u>Appropriated</u>	<u>Paid or Charged</u>
Payment of DEP Loan Principal	\$ 54,629.82 B-1	\$ 54,629.82 B-1

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Cash	C-2;C-3	\$ 581,649.49	\$ 2,867,865.50
Grants Receivable	C-4	167,000.00	167,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	4,050,000.00	515,000.00
Unfunded	C-6	60,000.00	4,601,200.00
Interfund - Current Fund	C-10	<u>2,666,829.57</u>	<u>-</u>
		<u>\$ 7,525,479.06</u>	<u>\$ 8,151,065.50</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	\$ 4,050,000.00	\$ 515,000.00
Bond Anticipation Notes	C-8	-	3,821,200.00
Improvement Authorizations:			
Funded	C-9	1,122,725.93	971,189.82
Unfunded	C-9	-	429,750.56
Capital Improvement Fund	C-11	1,653,804.16	1,115,554.16
Interfund - Water Operating	C-12	117,157.00	-
Reserve for Encumbrances	C-13	271,181.41	990,139.45
Reserve for Developers Contribution	C-14	74,566.00	74,566.00
Fund Balance	C-1	<u>236,044.56</u>	<u>233,665.51</u>
		<u>\$ 7,525,479.06</u>	<u>\$ 8,151,065.50</u>

There were Bonds and Notes Authorized But Not Issued in the Amount of \$60,000.00 as of December 31, 2024 and \$780,000.00 as of December 31, 2023 per Exhibit C-15.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Surplus - Regulatory Basis

General Capital Fund

Year Ended December 31,

		<u>2024</u>	<u>2023</u>
	<u>Ref.</u>		
Balance - January 31,	C	\$ 233,665.51	\$ 220,848.51
Increased by:			
Premium on Issuance of Bonds	C-2	2,379.05	-
Premium on Issuance of BAN		<u>-</u>	<u>12,817.00</u>
Balance - December 31,	C	<u>\$ 236,044.56</u>	<u>\$ 233,665.51</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

<u>Assets</u>	<u>Ref</u>	<u>2024</u>	<u>2023</u>
Operating Fund:			
Cash	D-5	\$ 2,566,301.49	\$ 2,378,544.25
Interfund Accounts Receivable	D-10	190,485.24	27,978.16
		<u>2,756,786.73</u>	<u>2,406,522.41</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-7	<u>366,117.52</u>	<u>348,399.13</u>
Deferred Charges:			
Over-expenditure of Appropriation	D-11	<u>3,178.28</u>	<u>-</u>
Total Operating Fund		<u>3,126,082.53</u>	<u>2,754,921.54</u>
Capital Fund:			
Cash	D-5;D-6	2,265,778.78	236,252.46
Fixed Capital	D-8	32,285,823.34	32,285,823.34
Fixed Capital Authorized and Uncompleted	D-9	5,225,000.00	4,725,000.00
Interfund Accounts Receivable	D-10	-	1,802.34
Deferred Charges - Additional Note Payment	D-12	<u>500.00</u>	<u>500.00</u>
Total Capital Fund		<u>39,777,102.12</u>	<u>37,249,378.14</u>
Total Assets		<u><u>\$42,903,184.65</u></u>	<u><u>\$40,004,299.68</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref</u>	<u>2024</u>	<u>2023</u>
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-13	\$ 37,626.08	\$ 47,278.57
Encumbered	D-4;D-13	<u>33,772.14</u>	<u>43,916.37</u>
Total Appropriation Reserves:		71,398.22	91,194.94
Interfund Accounts Payable	D-10	425,820.00	-
Water Rents Overpayments	D-14	48,897.03	63,523.07
Accounts Payable	D-15	-	691.16
Accrued Interest on Bonds	D-16	39,396.58	31,949.30
Accrued Interest on Notes	D-17	-	6,774.13
		<u>585,511.83</u>	<u>194,132.60</u>
Reserve for Receivables	Contra	366,117.52	348,399.13
Fund Balance	D-1	<u>2,174,453.18</u>	<u>2,212,389.81</u>
Total Operating Fund		<u>3,126,082.53</u>	<u>2,754,921.54</u>
Capital Fund:			
Serial Bonds Payable	D-18	7,640,000.00	6,135,000.00
Bond Anticipation Notes	D-19	-	502,800.00
Interfund Accounts Payable	D-10	54,194.45	-
Improvement Authorizations:			
Funded	D-20	1,470,703.48	28,190.52
Unfunded	D-20	-	2,320,470.33
Capital Improvement Fund	D-21	10,939.00	10,939.00
Encumbrances Payable	D-22	471,355.10	3,034.95
Reserve for Debt Service	D-23	225,000.00	-
Reserve for Amortization	D-24	28,030,823.34	25,151,823.34
Reserve for Deferred Amortization	D-25	1,840,000.00	3,066,200.00
Fund Balance	D-2	<u>34,086.75</u>	<u>30,920.00</u>
Total Capital Fund		<u>39,777,102.12</u>	<u>37,249,378.14</u>
Total Liabilities, Reserves and Fund Balances		<u>\$42,903,184.65</u>	<u>\$40,004,299.68</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were no bonds and notes authorized but not issued as of December 31, 2024, per Schedule D-26.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 500,000.00	\$ 500,000.00
Water Rents	D-3	3,141,587.02	3,179,944.00
Fire Hydrant Service	D-3	32,885.42	34,163.00
Cell Tower Fees	D-3	328,065.89	365,751.00
Miscellaneous Revenues Anticipated	D-3	278,287.13	288,781.00
Other Credits to Income:			
Miscellaneous Revenues not Anticipated	D-3	209,135.11	318,153.00
Accounts Payable Cancelled	D-15	691.16	-
Unexpended Balance of Appropriation Reserves	D-13	38,083.64	7,061.00
Total Income		<u>4,528,735.37</u>	<u>4,693,853.00</u>
Expenditures:			
Operating	D-4	1,937,125.00	1,978,896.00
Capital Improvements	D-4	525,000.00	525,000.00
Debt Service	D-4	1,475,997.00	1,369,865.00
Deferred Charges and Statutory Expenditures	D-4	128,550.00	118,024.00
Total Expenditures		<u>4,066,672.00</u>	<u>3,991,785.00</u>
Excess in Revenue over Expenditures		462,063.37	702,068.00
Fund Balance - January 1,	D	<u>2,212,389.81</u>	<u>2,010,321.81</u>
		<u>2,674,453.18</u>	<u>2,712,389.81</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>500,000.00</u>	<u>500,000.00</u>
Fund Balance - December 31,	D	<u>\$2,174,453.18</u>	<u>\$2,212,389.81</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Water Capital Utility Fund

Year Ended December 31,

		<u>2024</u>	<u>2023</u>
	<u>Ref.</u>		
Balance - January 1,	D	\$ 30,920.00	\$ 29,117.66
Increased by:			
Proceeds from Bond Sale	D-5	<u>3,166.75</u>	<u>-</u>
Balance - December 31,	D	<u>\$ 34,086.75</u>	<u>\$ 29,117.66</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2024

		<u>Anticipated</u>		Excess or (Deficit)
	Ref.	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	D-1	\$ 500,000.00	\$ 500,000.00	\$ -
Water Rents	D-1;D-7	3,075,000.00	3,141,587.02	66,587.02
Fire Hydrant Service	D-1;D-5	34,500.00	32,885.42	(1,614.58)
Miscellaneous Anticipated	D-1; D-3	141,172.00	278,287.13	137,115.13
Cell Tower Fees	D-1; D-5	316,000.00	328,065.89	12,065.89
Miscellaneous Revenue Not Anticipated	D-1; D-3	-	209,135.11	209,135.11
 Budget Totals		<u>\$4,066,672.00</u>	<u>\$4,489,960.57</u>	<u>\$ 423,288.57</u>
		D-4		

Analysis of Miscellaneous Revenue Anticipated

Interest on Delinquent Rents	68,640.11
Meters Sold	151,967.23
Sprinklers	7,186.76
Various Miscellaneous	50,493.03
	<u>D-5</u>
	\$ 278,287.13
	D-3

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investment	105,825.27
Connection Fees	76,399.62
Miscellaneous Refund	1,451.88
	<u>D-5</u>
Schedule of Interfunds	183,676.77
	<u>D-10</u>
	25,458.34
	<u>D-3</u>
	\$ 209,135.11

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2024

Ref.	Appropriated		Expended		Over-expended
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 920,325.00	\$ 842,225.00	\$ 807,457.11	\$ 34,767.89	\$ -
Other Expenses	1,125,000.00	1,094,900.00	1,064,306.14	33,772.14	3,178.28
Total Operating	D-1	2,045,325.00	1,937,125.00	1,871,763.25	68,540.03
Capital Improvements					
Capital Improvement Fund	500,000.00	500,000.00	500,000.00	-	-
Capital Outlay	25,000.00	25,000.00	24,831.20	168.80	-
	D-1	525,000.00	525,000.00	524,831.20	168.80
Debt Service:					
Payment of Bond and Loan Principal	1,080,000.00	1,220,000.00	1,220,000.00	-	-
Payment of Bond Anticipation Notes	96,400.00	-	-	-	-
Interest on Bonds	173,552.00	230,052.00	230,052.00	-	-
Interest on Notes	25,945.00	25,945.00	25,945.00	-	-
Total Debt Service	D-1	1,375,897.00	1,475,997.00	1,475,997.00	-
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employee' Retirement System	50,000.00	68,100.00	68,022.78	77.22	-
Social Security System (O.A.S.I.)	70,450.00	60,450.00	57,837.83	2,612.17	-
Total Deferred Charges and Statutory Expenditures	D-1	120,450.00	128,550.00	125,860.61	2,689.39
		\$4,066,672.00	\$4,066,672.00	\$3,998,452.06	\$ 71,398.22
			D-3		D-11
<u>Analysis of Paid or Charged</u>					
Cash Disbursed	D-5			3,159,386.87	
Schedule of Interfunds	D-10			583,068.19	
Interest on Bonds	D-16			230,052.00	
Interest on Notes	D-17			25,945.00	
				\$3,998,452.06	
<u>Analysis of Appropriation Reserve</u>					
Unencumbered	D			37,626.08	
Encumbered	D			33,772.14	
				\$ 71,398.22	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-5	\$ 27,939.59	\$ 173,131.85
Interfund Accounts Receivable	E-9	<u>185,364.65</u>	<u>8,898.98</u>
		<u>213,304.24</u>	<u>182,030.83</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-7	46,463.35	41,928.62
Deferred Charges:			
Overexpenditure of Appropriation Reserves	E-8	<u>11,310.00</u>	<u>11,310.00</u>
Total Operating Fund		<u>271,077.59</u>	<u>235,269.45</u>
Capital Fund:			
Cash	E-5; E-6	18,692.65	925,960.84
Interfund Accounts Receivable	E-9	5,729.92	-
Fixed Capital	E-10	9,803,594.25	9,803,594.25
Fixed Capital Authorized and Uncompleted	E-11	<u>1,200,000.00</u>	<u>1,200,000.00</u>
Total Capital Fund		<u>11,028,016.82</u>	<u>11,929,555.09</u>
Total Assets		<u>\$11,299,094.41</u>	<u>\$12,164,824.54</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-4; E-12	\$ 32,329.15	\$ 107,434.31
Encumbered	E-4; E-12	<u>19,516.46</u>	<u>5,776.88</u>
Total Appropriation Reserves:		51,845.61	113,211.19
Interfund Accounts Payable	E-9	151,517.20	-
Sewer Charge Overpayments	E-13	213.87	235.85
Accrued Interest on Bonds	E-14	9,764.07	12,131.25
Accrued Interest on Notes	E-15	<u>-</u>	<u>7,943.25</u>
		213,340.75	133,521.54
Reserve for Receivables	Contra	46,463.35	41,928.62
Fund Balance	E-1	<u>11,273.49</u>	<u>59,819.29</u>
Total Operating Fund		271,077.59	235,269.45
 Capital Fund:			
Interfund Accounts Payable	E-9	1,359.10	907,000.00
Serial Bonds Payable	E-16	2,115,000.00	1,000,000.00
Bond Anticipation Notes	E-17	<u>-</u>	<u>1,607,000.00</u>
Improvement Authorizations:			
Funded	E-18	26,633.70	-
Unfunded	E-18	500,000.00	526,597.84
Capital Improvement Fund	E-19	8,500.00	8,500.00
Encumbrances Payable	E-20	3,291.80	3,327.66
Reserve for Amortization	E-21	8,251,394.25	7,758,594.25
Reserve for Deferred Amortization	E-22	113,100.00	113,100.00
Fund Balance	E-2	<u>8,737.97</u>	<u>5,435.34</u>
Total Capital Fund		11,028,016.82	11,929,555.09
 Total Liabilities, Reserves and Fund Balances		<u><u>\$11,299,094.41</u></u>	<u><u>\$12,164,824.54</u></u>

The fixed capital reported is taken from the municipal records
and does not necessarily reflect the true condition of such fixed capital.

There were bonds and notes authorized but not issued on December 31, 2024 and 2023 in
the amount of \$524,100.00 and \$524,100.00 per Exhibit E-23.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31,

	Ref.	2024	2023
Revenue and Other Income Realized:			
Surplus Anticipated	E-3	\$ 76,000.00	\$ 87,000.00
Sewer Service Charges	E-3	852,007.99	853,891.00
Miscellaneous	E-3	18,506.13	15,664.00
Board of Education Debt Service	E-3	103,440.00	87,987.00
Deficit (General Budget)	E-3	165,880.74	118,734.00
Other Credits to Income:			
Miscellaneous	E-3	14,428.05	54,479.00
Unexpended Balance of Appropriation Reserves		-	29,269.00
Accrued Interest on Bonds Cancelled	E-14	46,734.29	-
Total Income		<u>1,276,997.20</u>	<u>1,247,024.00</u>
Expenditures:			
Operating	E-4	700,735.00	697,177.00
Debt Service	E-4	546,579.00	436,418.00
Deferred Charges and Statutory Expenditures	E-4	2,229.00	2,229.00
Total Expenditures		<u>1,249,543.00</u>	<u>1,135,824.00</u>
Excess in Revenue over Expenditures		27,454.20	111,200.00
Fund Balance - January 1,	E	<u>59,819.29</u>	<u>35,619.29</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>76,000.00</u>	<u>87,000.00</u>
Fund Balance - December 31,	E	<u>\$ 11,273.49</u>	<u>\$ 59,819.29</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Sewer Utility Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Balance - January 1,	E	\$ 5,435.34	\$ 28.34
Increased by:			
Premium on Sale of Bonds	E-5	3,302.63	-
Premium on Sale of Bond			
Anticipation Note	E-5	<u>-</u>	<u>5,407.00</u>
Balance - December 31,	E	<u><u>\$ 8,737.97</u></u>	<u><u>\$ 5,435.34</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2024

		<u>Anticipated</u>		Excess or <u>(Deficit)</u>
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	E-1	\$ 76,000.00	\$ 76,000.00	\$ -
Sewer Rents	E-1; E-7	846,000.00	852,007.99	6,007.99
Miscellaneous	E-1; E-5	15,500.00	18,506.13	3,006.13
Board of Education Share of				
Debt Service	E-1; E-5	87,987.00	103,440.00	15,453.00
Deficit (General Budget)	E-1; E-5	243,056.00	165,880.74	(77,175.26)
Miscellaneous Revenue Not Anticipated	E-1; E-3	-	14,428.05	14,428.05
 Budget Totals		<u>\$1,268,543.00</u>	<u>\$1,230,262.91</u>	<u>\$ (38,280.09)</u>
		E-4		

Miscellaneous Revenues Not Anticipated

Sewer Connection Fees	12,538.81
Interest on Investments - Operating	530.14
	<u>13,068.95</u>
Interest on Investments - Capital	E-9
	1,359.10
	<u>14,428.05</u>
	E-3

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2024

Ref.	Appropriated		Paid or Charged	Reserved	Unexpended Balance Cancelled
	Budget	Budget After Modification			
Operating:					
Salaries and Wages	\$ 29,126.00	\$ 29,126.00	\$ 29,000.00	\$ 126.00	\$ -
Other Expenses	75,000.00	75,000.00	25,209.39	49,790.61	-
Other Expenses - SCMUA	596,609.00	596,609.00	596,609.00	-	-
Total Operating	E-1 <u>700,735.00</u>	<u>700,735.00</u>	<u>650,818.39</u>	<u>49,916.61</u>	<u>-</u>
Debt Service:					
Payment of Bond Principal	335,000.00	395,000.00	395,000.00	-	-
Payment of Bond Anticipation Notes	106,000.00	19,000.00	-	-	19,000.00
Interest on Bonds	34,277.00	61,277.00	61,277.00	-	-
Interest on Notes	90,302.00	90,302.00	90,302.00	-	-
Total Debt Service	E-1 <u>565,579.00</u>	<u>565,579.00</u>	<u>546,579.00</u>	<u>-</u>	<u>19,000.00</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	2,229.00	2,229.00	300.00	1,929.00	-
Total Deferred Charges and Statutory Expenditures	E-1 <u>2,229.00</u>	<u>2,229.00</u>	<u>300.00</u>	<u>1,929.00</u>	<u>-</u>
	<u>\$1,268,543.00</u>	<u>\$1,268,543.00</u>	<u>\$1,197,697.39</u>	<u>\$ 51,845.61</u>	<u>\$ 19,000.00</u>
			E-3		
<u>Ref.</u>					
<u>Analysis of Paid or Charged</u>					
Cash Disbursed	E-5			1,046,118.39	
Interest on Bonds	E-14			61,277.00	
Interest on Notes	E-15			90,302.00	
				<u>\$1,197,697.39</u>	
<u>Analysis of Appropriation Reserves</u>					
Unencumbered	E			32,329.15	
Encumbered	E			19,516.46	
				<u>\$ 51,845.61</u>	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Solid Waste Utility Fund

December 31,

	Ref	2024	2023
<u>Assets</u>			
Operating Fund:			
Cash	F-4	\$ 685,223.28	\$ 901,158.09
Interfund Accounts Receivable	F-6	209,987.19	12,306.32
		<u>895,210.47</u>	<u>913,464.41</u>
Receivables with Full Reserves:			
Consumers Account Receivable	F-5	<u>212,660.29</u>	<u>200,152.43</u>
Deferred Charges:			
Emergency Appropriation	F-9	60,000.00	-
Over-expenditure of Budget Appropriations	F-9	<u>181,871.04</u>	<u>-</u>
		<u>241,871.04</u>	<u>-</u>
Total Operating Fund		<u>\$ 1,349,741.80</u>	<u>\$ 1,113,616.84</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:	Ref		
Appropriation Reserves:			
Unencumbered	F-3	\$ 12,294.00	\$ 590.33
Encumbered	F-3	16,417.86	-
Interfund Accounts Payable	F-6	<u>120,160.77</u>	<u>-</u>
Total Appropriation Reserves		<u>148,872.63</u>	<u>590.33</u>
Overpaid Solid Waste User Fees	F-8	<u>2,007.50</u>	<u>2,177.97</u>
		<u>150,880.13</u>	<u>2,768.30</u>
Reserve for Receivables	Contra	212,660.29	200,152.43
Fund Balance	F-1	986,201.38	910,696.11
Total Operating Fund		<u>\$ 1,349,741.80</u>	<u>\$ 1,113,616.84</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31,

	Ref.	2024	2023
Revenue and Other Income Realized:			
Surplus Anticipated	F-2	\$ 435,000.00	\$ 355,000.00
Solid Waste User Fees	F-2	2,609,790.60	2,066,594.00
Solid Waste Penalties	F-2	69,373.67	78,030.00
Miscellaneous	F-2	372.44	20.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-7	579.33	811.00
Total Income		<u>3,115,116.04</u>	<u>2,500,455.00</u>
Expenditures:			
Operating	F-3	2,714,027.04	2,401,835.00
Deferred Charges and Statutory Expenditures	F-3	12,294.00	12,015.00
Cancel Reconciling Items	F-4	120,160.77	-
Total Expenditures		<u>2,846,481.81</u>	<u>2,413,850.00</u>
Excess in Revenue over Expenditures		268,634.23	86,605.00
Adjustments to Income Before Surplus			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years	F-9	<u>241,871.04</u>	<u>-</u>
Statutory Excess to Surplus		510,505.27	86,605.00
Fund Balance - January 1,	F	<u>910,696.11</u>	<u>1,179,091.11</u>
		<u>1,421,201.38</u>	<u>1,265,696.11</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>435,000.00</u>	<u>355,000.00</u>
Fund Balance - December 31,	F	<u>\$ 986,201.38</u>	<u>\$ 910,696.11</u>

The accompanying "Notesto Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or (Deficit)
Surplus Anticipated	F-1	\$ 435,000.00	\$ 435,000.00	\$ -
Solid Waste User Fees	F-1; F-5	2,000,000.00	2,609,790.60	609,790.60
Miscellaneous Anticipated	F-1; F-4	49,450.00	69,373.67	19,923.67
Miscellaneous not Anticipated	F-1; F-2	-	372.44	372.44
Budget Totals		<u>\$ 2,484,450.00</u>	<u>\$ 3,114,536.71</u>	<u>\$ 630,086.71</u>
		F-3		
Miscellaneous Revenues not Anticipated:				
Interest on Investments			\$ 372.44	
			<u>F-2;F-4</u>	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

Ref:	Appropriated		Expenditure		Over- Expended
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 149,506.00	\$ -	\$ -	\$ -	\$ -
Other Expenses	2,322,650.00	2,532,156.00	2,697,609.18	16,417.86	181,871.04
Total Operating	F-1	2,472,156.00	2,532,156.00	2,697,609.18	16,417.86
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	F-1	12,294.00	12,294.00	-	12,294.00
Total Deferred Charges and Statutory Expenditures		12,294.00	12,294.00	-	12,294.00
Analysis of Modified Budget					
Adopted Budget	F-2				
Emergency Appropriation (40A:4-47)	F-9				
Analysis of Appropriation Reserves					
Unencumbered	F				
Encumbered	F				

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2024</u>	<u>2023</u>
<u>General Fixed Assets:</u>		
Land / Land Improvements		
Buildings	\$ 25,171,500.00	\$ 25,171,500.00
Machinery and Equipment	19,415,617.00	17,161,305.00
	<u>44,587,117.00</u>	<u>42,332,805.00</u>
Investment in Fixed Assets	<u>44,587,117.00</u>	<u>42,332,805.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Township of Sparta (the “Township”) have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township operates under a Mayor/Council form of government. The Township’s major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Municipal Library, Volunteer Fire Department, and First Aid Squad which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust Fund - This fund deals with the handling of special assessment levies against property for the cost of an improvement. The whole or a part of which costs are levied against the property receiving the benefit.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Emergency Services Volunteer Length of Service Program (LOSAP) Trust Fund - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participants' awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Sewer Operating and Sewer Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Solid Waste Operating Fund - Account for the operations of the Solid Waste Utility.

General Fixed Assets Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting- A modified accrual basis of accounting is followed by the Township. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remain in arrears on the 11th day of the 11th month of the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund and the water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund	LOSAP Trust Fund
Animal Control Trust Fund	Water Capital Fund
Other Trust Funds	Sewer Capital Fund

The governing body shall introduce and approve the annual budget not later than March 29, of the fiscal year. The budget shall be adopted not later than April 30, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2024, The Governing Body increased the original Current Fund budget by \$50,000.00 for emergency appropriations under N.J.S.A. 40A:4-48, the original Solid Waste Fund budget by \$60,000.00 for emergency appropriations under N.J.S.A. 40A:4-47, and two special items of revenue and appropriation under N.J.S.A. 40A:4-87. Also, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by NJSA 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

General Fixed Assets - The Township of Sparta has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed Assets used in Governmental Operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that all fixed assets be capitalized at historical cost if actual historical cost is not available.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Recent Accounting Pronouncements

The following GASB statement became effective for the fiscal year ended December 31, 2024:

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting described in note 1, this Statement will have no impact on the financial statements of the Township.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

In December 2023, the Government Accounting Standards Board issued **GASB Statement No. 102, Certain Risk Disclosures.** This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Township.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Recent Accounting Pronouncements (Continued)

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 2: BUDGETARY INFORMATION (CONTINUED)

Under New Jersey Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2024 statutory budget included a reserve for uncollected taxes in the amount of \$2,145,970.81. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2024 statutory budget was \$4,750,000.00.

Inter department budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Mayor and Council.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2024, there were two items of special revenue and appropriation inserted into the budget: \$50,000.00 for ARP - Assistance to firefighters and \$68,800.00 for A.R.P. Automated License Plate Reader Initiative.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2024, the Township's Governing Body approved emergency appropriations of \$50,000.00 in the Current Fund and \$60,000.00 in the Solid Waste Fund.

NOTE 3: GENERAL FIXED ASSETS

The following schedule is a summarization of changes in the general fixed assets account group for the year 2024:

	<u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31, 2024</u>
Land, Land Improvements & Buildings	\$25,171,500.00	\$ -	\$ -	\$25,171,500.00
Machinery & Equipment	<u>17,161,305.00</u>	<u>3,575,337.00</u>	<u>1,321,025.00</u>	<u>19,415,617.00</u>
	<u>\$42,332,805.00</u>	<u>\$3,575,337.00</u>	<u>\$1,321,025.00</u>	<u>\$44,587,117.00</u>

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 4: MUNICIPAL DEBT

Long-term debt as of December 31, 2024 consisted of the following:

	Balance Dec. 31, 2023	Additions	Reductions	Balance Dec. 31, 2024	Amount Due Within One Year
General Capital Fund:					
Bonds Payable	<u>\$515,000.00</u>	<u>\$4,275,000.00</u>	<u>\$740,000.00</u>	<u>\$4,050,000.00</u>	<u>\$225,000.00</u>
Assessment Trust Fund:					
N.J. D.E.P. Loan	<u>409,723.60</u>	<u>-</u>	<u>54,629.82</u>	<u>355,093.78</u>	<u>54,629.82</u>
Water Capital Fund:					
Bonds Payable	<u>6,135,000.00</u>	<u>2,725,000.00</u>	<u>1,220,000.00</u>	<u>7,640,000.00</u>	<u>1,210,000.00</u>
Sewer Capital Funds					
Serial Bonds Payable	<u>1,000,000.00</u>	<u>1,510,000.00</u>	<u>395,000.00</u>	<u>2,115,000.00</u>	<u>390,000.00</u>
Compensated Absences Payable	<u>692,073.62</u>	<u>-</u>	<u>(1)</u>	<u>60,411.23</u>	<u>631,662.39</u>
	<u>\$8,751,797.22</u>	<u>\$8,510,000.00</u>	<u>\$2,470,041.05</u>	<u>\$14,791,756.17</u>	<u>\$1,879,629.82</u>

(1) Net reductions, including accruals, retirements, resignations, and time used.

Also see Note 7.

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligations bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

<u>Issued</u>	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
General:			
Bonds and Notes	\$4,050,000.00	\$4,336,200.00	\$3,466,400.00
Assessment Trust Fund:			
Loan Payable	355,093.78	409,723.60	600,928.00
Water Utility:			
Bonds, Notes and Loans	7,640,000.00	6,637,800.00	7,809,200.00
Sewer Utility:			
Bonds and Notes	2,115,000.00	2,607,000.00	2,272,900.00
Total Issued	<u>\$14,160,093.78</u>	<u>\$13,990,723.60</u>	<u>\$14,149,428.00</u>

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 4: MUNICIPAL DEBT (CONTINUED)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Less</u>			
Funds Temporarily Held by Pay			
Bonds, Notes and Loans:			
Assessment Trust Assessments	<u>\$86,817.60</u>	<u>\$92,390.02</u>	<u>\$231,378.00</u>
Net Debt Issued	<u>14,073,276.18</u>	<u>13,898,333.58</u>	<u>13,918,050.00</u>
<u>Authorized But Not Issued</u>			
General Capital:			
Bonds and Notes	60,000.00	780,000.00	780,000.00
Water Utility:			
Bonds and Notes	-	2,380,000.00	-0-
Sewer Utility:			
Bonds and Notes	<u>524,100.00</u>	<u>524,100.00</u>	<u>1,224,100.00</u>
Total Bonds, Notes and Loans Issued	<u>584,100.00</u>	<u>3,684,100.00</u>	<u>2,004,100.00</u>
<u>Less:</u>			
Self Liquidating - Utility	<u>7,640,000.00</u>	<u>12,148,900.00</u>	<u>11,306,200.00</u>
Net Debt	<u>\$7,017,376.18</u>	<u>\$12,148,900.00</u>	<u>\$4,615,950.00</u>

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TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.161%.

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Dist. Debt	\$43,265,000.00	\$43,265,000.00	\$ -
Water Utility Debt	7,640,000.00	7,640,000.00	- -
Sewer Utility Debt	2,639,100.00	- -	2,639,100.00
Assessment Trust Debt	335,093.78	86,817.60	268,276.18
General Debt	<u>4,110,000.00</u>	<u>- -</u>	<u>4,110,000.00</u>
	<u><u>\$58,009,193.78</u></u>	<u><u>\$50,991,817.60</u></u>	<u><u>\$7,017,376.18</u></u>

Net Debt \$7,017,376.18 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$4,355,179,913.00 = 0.161%.

SUMMARY EQUALIZED VALUATION PER N.J.S. 40A:2-2 AS AMENDED

2024	\$4,355,179,913.00
2023	\$3,922,025,474
2022	\$3,562,546,165

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	\$152,431,296.96
Net Debt	\$7,017,376.18
Remaining Borrowing Power	<u>\$145,413,920.78</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from fees, rents or other charges for year	\$4,489,960.57
Deductions:	
Operating and Maintenance Cost	\$2,065,675.00
Net Debt	<u>1,475,323.85</u>
Total Deductions	<u>3,540,998.85</u>
Excess/(Deficit) in Revenue	<u>\$948,961.72</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

If there is an "excess in revenue" all such utility debt is deductible. If there is a deficit, then utility debt is not deductible to the extent of 20 times such deficit amount.

CALCULATION OF "SELF-LIQUIDATING PURPOSE", SEWER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from fees, rents or other charges for year	\$1,064,382.17
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Deductions:

Operating and Maintenance Cost	\$702,964.00
Net Debt	<u>510,155.14</u>
Total Deductions	<u>1,213,119.14</u>

Excess/(Deficit) s in Revenue)	<u>\$(148,736.97)</u>
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If there is an "excess in revenue" all such utility debt is deductible. If there is a deficit, then utility debt is not deductible to the extent of 20 times such deficit amount.

Paid from Current Fund:

General Bonds of 2024 – dated 6/13/2024, in the amount of \$4,275,000.00. These bonds are payable in annual installments through 12/15/2039. Interest is paid semi-annually at a rate of 4.00-5.00% per annum. The balance as of December 31, 2024, was \$4,050,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund budget.

Paid from Water Utility Fund:

Water Bond of 2011- dated 4/28/2011, in the amount of \$2,310,000.00. These bonds are payable in annual installments through 4/01/2026. Interest is paid semi-annually at a rate of 4.00% per annum. The balance as of December 31, 2024 was \$295,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund budget.

Water Bond of 2013- dated 10/15/2013, in the amount of \$1,424,000.00. These bonds are payable in annual installments through 10/15/2033. Interest is paid semi-annually at a rate of 3.25-4.00% per annum. The balance as of December 31, 2024 was \$749,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund budget.

Water Refunding Bond of 2014- dated 9/10/2014, in the amount of \$5,828,000.00. These bonds are payable in annual installments through 1/01/2026. Interest is paid semi-annually at a rate of 5.00% per annum. The balance as of December 31, 2024 was \$1,080,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund budget.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

Paid from Water Utility Fund: (continued)

Water Bonds of 2017 - dated 10/1/2017, in the amount of \$4,781,000.00. These bonds are payable in annual installments through 10/01/2032. Interest is paid semi-annually at a rate of 2.00-3.00% per annum. The balance as of December 31, 2024 was \$2,931,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund budget.

Water Bonds of 2024 – dated 6/13/2024, in the amount of \$2,725,000.00. These bonds are payable in annual installments through 12/15/2039. Interest is paid semi-annually at a rate of 4.00-5.00% per annum. The balance of December 31, 2024 was \$2,585,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund budget.

Paid from Sewer Utility Fund:

Sewer Bond of 2011- dated 4/28/2011, in the amount of \$2,317,000.00. These bonds are payable in annual installments through 4/01/2026. Interest is paid semi-annually at a rate of 2.00-4.00% per annum. The balance as of December 31, 2024 was \$360,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund budget.

Sewer Refunding Bond of 2014- dated 9/10/2014, in the amount of \$1,627,000.00. These bonds are payable in annual installments through 1/01/2026. Interest is paid semi-annually at a rate of 3.00-5.00% per annum. The balance as of December 31, 2024 was \$305,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund budget.

Sewer Bonds of 2024 – dated 6/13/2024, in the amount of \$1,510,000.00. These bonds are payable in annual installments through 12/15/2039. Interest is paid semi-annually at a rate of 4.00-5.00% per annum. The balance as of December 31, 2024, was \$1,450,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund budget.

Paid from Assessment Trust Fund:

On August 25, 2015, the Township entered into an agreement for a loan repayment for the Glen Lake Dam Restoration Project in the amount of \$846,762.05, which includes principal and interest. Payments are made semi-annually on May 24 and November 24 in the amount of \$27,314.91, at an interest rate of 2.00%. At December 31, 2024, the balance remaining is \$331,431.97.

Total General Capital Bonds - listed above	\$4,050,000.00
Total Water Utility Capital Bonds - listed above	7,640,000.00
Total Sewer Utility Capital Bonds - listed above	2,115,000.00
Total Assessment Trust Loan - listed above	331,431.97
	<u>\$14,136,431.97</u>

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 4: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General Capital			Water Capital		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$225,000.00	\$179,900.00	\$404,900.00	\$1,210,000.00	\$252,565.00	\$1,462,565.00
2026	235,000.00	168,650.00	403,650.00	1,250,000.00	212,027.50	1,462,027.50
2027	245,000.00	156,900.00	401,900.00	570,000.00	184,527.50	754,527.50
2028	255,000.00	144,650.00	399,650.00	600,000.00	166,177.50	766,177.50
2029	270,000.00	131,900.00	401,900.00	625,000.00	147,040.00	772,040.00
2030-2034	1,400,000.00	460,400.00	1,860,400.00	2,265,000.00	426,680.00	2,691,680.00
2035-2039	<u>1,420,000.00</u>	<u>170,800.00</u>	<u>1,590,800.00</u>	<u>1,120,000.00</u>	<u>138,000.00</u>	<u>1,258,000.00</u>
	<u>\$4,050,000.00</u>	<u>\$1,413,200.00</u>	<u>\$5,463,200.00</u>	<u>\$7,640,000.00</u>	<u>\$1,527,017.50</u>	<u>\$9,167,017.50</u>

Year	Sewer Capital			Assessment Trust Fund		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$390,000.00	\$82,400.00	\$472,400.00	\$48,241.18	\$6,388.63	\$54,629.81
2026	395,000.00	67,625.00	462,625.00	49,210.83	5,418.99	54,629.82
2027	110,000.00	58,700.00	168,700.00	50,199.97	4,429.85	54,629.82
2028	110,000.00	53,200.00	163,200.00	51,208.98	3,420.83	54,629.81
2029	110,000.00	47,700.00	157,700.00	52,238.28	2,391.53	54,629.81
2030-2034	525,000.00	159,700.00	684,700.00	80,332.73	1,611.98	81,944.71
2035-2039	<u>475,000.00</u>	<u>57,000.00</u>	<u>532,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$2,115,000.00</u>	<u>\$526,325.00</u>	<u>\$2,641,325.00</u>	<u>\$331,431.97</u>	<u>\$23,661.81</u>	<u>\$355,093.78</u>

Year	Yearly Totals		
	Principal	Interest	Total
2025	\$1,873,241.18	\$521,253.63	\$2,394,494.81
2026	1,929,210.83	453,721.49	2,382,932.32
2027	975,199.97	404,557.35	1,379,757.32
2028	1,016,208.98	367,448.33	1,383,657.31
2029	1,057,238.28	329,031.53	1,386,269.81
2030-2034	4,270,332.73	1,048,391.98	5,318,724.71
2035-2039	<u>3,015,000.00</u>	<u>365,800.00</u>	<u>3,380,800.00</u>
	<u>\$14,136,431.97</u>	<u>\$3,490,204.31</u>	<u>\$17,626,636.28</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 5: BOND ANTICIPATION NOTES

The Township issued bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of such notes issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2024:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
General Capital:				
Oppenheimer & Co.	<u>\$3,821,200.00</u>	\$ <u> -</u>	\$ <u>3,821,00.00</u>	\$ <u> -</u>
Water Capital Fund:				
Oppenheimer & Co.	<u>502,800.00</u>	<u> -</u>	\$ <u>502,800.00</u>	\$ <u> -</u>
Sewer Capital Fund:				
Oppenheimer & Co.	<u>1,607,000.00</u>	<u> -</u>	\$ <u>1,607,000.00</u>	\$ <u> -</u>
	<u>\$5,931,000.00</u>	\$ <u> -</u>	\$ <u>5,931,000.00</u>	\$ <u> -</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2024 and 2023 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current Fund	<u>\$4,750,000.00</u>	<u>\$4,750,000.00</u>
Water Utility Operating Fund	<u>\$500,000.00</u>	<u>\$500,000.00</u>
Sewer Utility Operating Fund	<u>\$ -</u>	<u>\$76,000.00</u>
Solid Waste Operating Fund	<u>\$435,000.00</u>	<u>\$455,000.00</u>

NOTE 7: ACCRUED VACATION AND SICK BENEFITS

The Township allows employees to accrue an unlimited amount of unused vacation and sick pay, which may be taken as time off. However, it is expected that the cost of such unpaid compensation would be included in the Township budget operating expenditures in the year in which it is used. It is estimated that the current cost of such unpaid compensation would approximate \$631,662.39.

The amount is not reported either as an expenditure or a liability. The Township has reserved \$41.87 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-16 for an analysis. It is expected that any remaining cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 8: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2024 consist of the following:

- \$7,559.76 Due to Current Fund from Assessment Trust Fund for interest earned on Assessment Trust deposits.
- 9,839.00 Due to Current Fund from Animal Control Trust Fund for statutory excess in the Animal Control Trust reserve for expenditures.
- 148,349.99 Due to Current Fund from Other Trust Fund for various receipts and disbursements in both funds.
- 2,666,829.57 Due to General Capital Fund from Current Fund for the receipt of debt issuances in Current Fund.
- 242,300.89 Due to Federal and State Grant Fund from Current Fund for various receipts and disbursements in Current Fund.
- 47,276.88 Due to Current Fund from Water Operating Fund for various disbursements in Current Fund to be charged to the Water Operating budget.
- 6,782.41 Due to Current Fund from Water Capital Fund for excess bond sale premium turned over to Water Capital Fund.
- 151,517.20 Due to Current Fund from Sewer Operating Fund for the return of excess General budget raised in Current Fund and various other disbursement.
- 5,729.92 Due to Sewer Operating Fund from Current Fund for additional bond sale premium attributable to Sewer Capital bonds issued.
- 120,160.77 Due to Current Fund from Solid Waste Operating Fund for various disbursements in the Current Fund.
- 70,016.26 Due to Federal and State Grant Fund from Other Trust Funds for various receipts and disbursements in the Other Trust Funds.
- 25,916.20 Due to Water Operating Fund from Other Trust Funds for municipal TTL collections posted to Other Trust Funds in the prior year.
- 3,143.30 Due to Sewer Operating Fund from Other Trust Funds for municipal TTL collections posted to Other Trust Funds in the prior year.
- 12,306.32 Due to Solid Waste Operating Fund from Other Trust Funds for municipal TTL collections posted to Other Trust Funds in the prior year.
- 117,157.00 Due to Water Operating Fund from General Capital Fund for various receipts in General Capital.
- 47,412.04 Due to Water Operating Fund from Water Capital Fund for interest earned on Water Capital deposits, budgeted Capital Improvement Funds, and various disbursements from Water Operating Fund.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 8: DUE TO/FROM OTHER FUNDS

180,862.25	Due to Sewer Operating Fund from Water Operating Fund for various receipts and disbursements in Water Operating Fund.
197,680.87	Due to Solid Waste Operating Fund from Water Operating Fund for various receipts and disbursements in Water Operating Fund.
<u>1,359.10</u>	Due to Sewer Operating Fund from Sewer Capital Fund for interest earned on Sewer Capital deposits.
<u>\$4,062,199.73</u>	

It is anticipated that all interfunds will be liquidated during the calendar year.

NOTE 9: PENSION PLANS

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS), (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemens' Retirement System (PFRS), (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemens' Retirement System (PFRS), (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2024	\$971,754.00	\$1,529,243.00	\$2,432.21
2023	889,834.00	1,372,121.00	7,534.00
2022	793,105.00	1,215,562.00	2,691.00

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At June 30, 2024, the Township had a liability of \$9,990,364.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2024, the Township's proportion was 0.0735231829 percent, which was an increase/(decrease) of 0.0008158742 percent from its proportion measured as of June 30, 2023.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2024, the Township recognized pension expense of \$971,754.00.

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$200,125.00	\$26,597.00
Changes of assumptions	12,411.00	113,667.00
Net difference between projected and actual earnings on pension plan investments	-	463,226.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>564,973.00</u>	<u>1,935.00</u>
Total	<u>\$777,509.00</u>	<u>\$605,425.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$(424,166.00)
2026	328,207.00
2027	(188,825.00)
2028	(109,007.00)
2029	2,837.00

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years for 2024, 2023, 2022, 2021, 2020 and 2019 amounts respectively.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Additional Information

Local group collective balances net of non-employer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$1,079,580,780.00	\$1,080,204,730.00
Collective deferred outflows of resources	1,611,322,898.00	1,780,216,457.00
Collective net pension liability	13,588,045,796.00	14,484,374,047.00
Township's Portion	0.0735231829%	0.0727073087%

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1 percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$13,386,478.00	\$9,990,364.00	\$7,255,948.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the Township had a liability of \$11,716,601.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2024, the Township's proportion was 0.11346040 percent, which was an increase/(decrease) of (0.00141653) percent from its proportion measured as of June 30, 2023.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS)

For the year ended December 31, 2024, the Township recognized pension expense of \$1,529,243.

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$738,137.00	\$401,111.00
Changes of assumptions	18,522.00	344,097.00
Net difference between projected and actual earnings on pension plan investments	-	91,704.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>931,783.00</u>	<u>229,640.00</u>
 Total	 <u>\$1,688,442.00</u>	 <u>\$1,066,552.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$(567,525.00)
2026	653,922.00
2027	(164,127.00)
2028	(76,216.00)
2029	67,803.00
Thereafter	5,890.00

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.09, 6.16, 6.22, 6.17, 5.90 and 5.92 years for 2024, 2023, 2022, 2021, 2020 and 2019 amounts respectively.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$1,350,388,724.00	\$1,753,080,638.00
Collective deferred inflows of resources	1,421,121,200.00	1,966,439,601.00
Collective net pension liability	10,326,599,453.00	13,084,649,602.00
Township's Proportion	0.11346040%	0.11487693%

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions.

Inflation Rate	
Wage	2.75%
Price	3.25%
Salary Increases:	
Through all future years	3.25-16.25% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1 percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$20,040,753.00	\$11,716,601.00	\$9,017,952.00

Special Funding Situations - PFRS

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Special Funding Situations – PFRS, (continued)

At June 30, 2024 and 2023, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$2,309,903.00 and \$2,338,741.00, respectively. For the years ended June 30, 2023 and 2022, the pension system has determined the State proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$265,736.00 and \$266,027.00, respectively, which is more than the actual contributions the State made on behalf of the Township of \$265,736.00 and \$267,462.00, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed at via the New Jersey, Division of Pension and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 10: LOCAL SCHOOL DISTRICT AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Sparta has not elected to defer school taxes.

NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2024, \$-0- of the Township's bank balance of \$32,264,321.48 was exposed to custodial credit risk. In comparison, as of December 31, 2023, \$-0- of the Township's bank balance of \$26,590,834.72 was exposed to custodial credit risk.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the Townships or bonds or other obligations of the local unit or units within which the Township is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

Unaudited Investments

As more fully described in Note 14, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Co., which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2024 and 2023 amounted to \$471,988.66 and \$411,388.87 respectively.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Co. on December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Investments under 5%	\$108,741.87	\$86,258.87
Fidelity VIP ContraFund	34,318.66	25,448.00
Fixed Account	111,793.27	107,968.00
LVIP SSgA S&P 500 Index Fund	<u>217,134.86</u>	<u>191,714.00</u>
 Total	 <u>\$471,988.66</u>	 <u>\$411,388.87</u>

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2024 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

Fiscal year	Interest Earnings/		Amount Reimbursed	Ending Balance
	Township Contributions	Employee Contributions		
2024	\$10,793.02	\$19,192.84	\$16,123.94	\$231,848.04
2023	10,151.12	15,429.00	30,299.00	217,986.12
2022	3,135.00	17,351.00	3,046.00	222,705.00

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 13: PUBLIC ASSISTANCE

The Township of Sparta has elected to have the County of Sussex process all public assistance granted to the residents. Therefore, the Township of Sparta no longer has a public assistance director.

NOTE 14: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On November 9, 2010, the Division of Local Government Services approved the Township's LOSAP plan, provided by Lincoln Financial. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plans contribution requirements are as follows: the contribution for each participating active volunteer member shall be between the minimum contribution of \$115.00 and the maximum contribution of \$1,150.00. The Township's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2024 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 15: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec 31, 2023</u>
Prepaid Taxes	<u>\$856,637.63</u>	<u>\$673,774.25</u>
Cash Liability for Taxes Collected in Advance	<u>\$856,637.63</u>	<u>\$673,774.25</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 16: OTHER POST EMPLOYMENT BENEFITS (OPEB)

PLAN OVERVIEW

Township of Sparta (“Sparta”) provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. As a result of offering such benefits, Sparta will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 75 (“GASB 75”).

Sparta provides medical benefits to retirees who retired from Sparta with 20 years of service for Police and 25 years of service for others.

The summary below presents the results of the actuarial valuation of the post-retirement medical obligations as of December 31, 2024, including a determination of financial reporting information for the year ending December 31, 2024.

Contributions to pay for the health premiums of participating retirees in the MRHIF are billed to the Township of Sparta on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes. There is no cost sharing policies that the current retirees contribute.

Basis of Valuation

This valuation has been conducted based upon census, plan design and financial information provided by the Fund. Census includes 97 retirees and dependents currently receiving retiree benefits, and 101 active participants of whom 13 are eligible to retire as of the valuation date. The average age of the active population is 45 and the average age of the retiree population is 66.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used in the State Division of Pensions and Benefits in calculation pension benefits taken from the July 1, 2023 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2023 report from Aon Consultants.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Results of Valuation

• *Total OPEB Liability and Net OPEB Liability*

The Total OPEB Liability (“TOL”) is the actuarial accrued liability. The Net OPEB Liability (“NOL”) is the TOL less the Fiduciary Net Position (assets). Since there are no plan assets to offset the liability, the two are equal.

Total OPEB Liability Active	\$40,482,690.00
Total OPEB Liability Retired	\$47,986,058.00
Total OPEB Liability	\$88,468,748.00
Plan Fiduciary Net Position	\$0
Net OPEB Liability	\$88,468,748.00
Net Position/OPEB Liability	0%

• *Total OPEB Expense*

The Total OPEB Expense (“TOE”) is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the “Service Cost” (aka “normal cost”) which is the portion of future liabilities attributable to the measurement year, plus the recognized portion of the experience gain or loss, and interest on the NOL during the year.

The TOE as of December 31, 2024 is \$3,823,068.00 based upon a discount rate of 4.08% per annum and the plan provisions in effect on December 31, 2024.

• *Impact of 1% Change in Discount Rate*

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1.00% per annum, the TOL as of December 31, 2024 would decrease to \$78,273,439.00 and if it were to decrease by 1.00%, the TOL would increase to \$101,637,345.00.

• *Impact of 1% Change in Trend Rate*

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If medical trend were to increase by 1.0% per annum, the TOL as of December 31, 2024 would increase to \$99,974,567.00 and if it were to decrease by 1.0%, the TOL would decrease to \$79,496,755.00.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Key Actuarial Assumptions

<i>Mortality</i>	<i>PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after completing 20 years of service for police; 25 years of service for all others</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>3.72% Based on the Bond Buyer 20 Index December 31, 2022 3.26% Based on the Bond Buyer 20 Index December 31, 2023 4.08% Based on the Bond Buyer 20 Index December 31, 2024</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 6.5% in 2024, reducing by 0.25% per annum, leveling at 4.5% per annum in 2032 Drug: 14.0% in 2024, 10.0% in 2025, 7.5% in 2026, reducing by 0.75% per annum, leveling at 4.5% per annum in 2030 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

- Attribution period - The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods - The valuation reflects per capita net premium costs based on actual 2024 medical, prescription drug, and dental premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (45) and scaled to each age based on the medical cost aging factors to age 65. At age 65, Medicare Advantage becomes the primary payer of medical benefits and aging factors are not applied.
- Retiree contribution - NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the rate of medical trend.
- Actuarial valuation method - Entry Age Normal Funding Method based on a level percentage of salary. 2024 salaries were reported as \$10.662 million.

Special Funding Situation PFRS

In addition to the pension described in Note 9, the Township does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan. However, benefits are provided as describe below:

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Special Funding Situation PFRS (continued)

At June 30, 2023, which is the most recent data available, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$6,202,666.00 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(1,124,665.00).

NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES

Township legal counsel has advised us of no pending or threatening claims or litigation against the Township, save for any claims that may have been placed through insurance.

NOTE 18: OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Township of Sparta is \$1,944,218.40 which was available for use until December 31, 2024.

NOTE 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through September 29, 2025, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

TOWNSHIP OF SPARTA, N.J.

OFFICIALS IN OFFICE AND SURETY BONDS

DECEMBER 31, 2024

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>		
Neill Clark	Mayor		
Dean Blumetti	Deputy Mayor		
Daniel Chiariello	Councilman		
Joshua Hertzberg	Councilman		
Christine Quinn	Councilwoman		
James Zepp	Township Manager		
Roxanne Landy	Municipal Clerk; Registrar of Vital Statistics		
Dawn Krumpfer	CFO	1,000,000.00	(1)
Dianne O'Connor	Tax Collector	1,000,000.00	(1)
Joseph Ferraris	Tax Assessor		
Jeffrey McCarrick	Chief of Police		
Paris Eliades	Magistrate	1,000,000.00	(1)
Bonnie Messina	Court Administrator	1,000,000.00	(1)
Michael Wallace	Construction Official		
Thomas N. Ryan, Esq.	Township Attorney		
Steven D. Wielkotz, C.P.A.	Township Auditor		
Cory L. Stoner, P.E.	Township Engineer		

(1) Statutory positions are covered under the Municipal Excess Liability Joint Insurance Fund.

All bonds were examined and determined to have been properly executed.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

CURRENT FUND

	<u>Year 2024</u>	<u>Year 2023</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 4,750,000.00	3.877%	\$ 5,000,000.00	4.232%
Miscellaneous - From Other Than Local Property Tax Levies	5,667,541.32	4.626%	5,211,529.73	4.411%
Collection of Delinquent Taxes and Tax Title Liens	1,131,760.25	0.924%	959,823.52	0.812%
Collection of Current Tax Levy	109,141,670.48	89.092%	106,221,598.66	89.912%
Other Credits to Income	1,812,952.21	1.480%	746,480.38	0.632%
<u>Total Revenue and Other Income Realized</u>	<u>122,503,924.26</u>	<u>100.00%</u>	<u>118,139,432.29</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	28,520,870.82	23.789%	27,934,947.73	23.860%
Municipal Open Space Taxes	342,385.17	0.286%	342,191.37	0.292%
Local School Taxes	71,357,944.00	59.519%	68,940,563.00	58.885%
County Taxes	18,999,436.42	15.847%	18,952,862.58	16.188%
Other Expenditures	670,848.06	0.560%	907,000.00	0.775%
<u>Total Expenditures</u>	<u>119,891,484.47</u>	<u>100.00%</u>	<u>117,077,564.68</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	2,612,439.79		1,061,867.61	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by				
Statute Deferred Charges to Budget of Succeeding Year	<u>51,709.03</u>		<u>175,000.00</u>	
Statutory Excess to Fund Balance	2,664,148.82		1,236,867.61	
Fund Balance, January 1,	<u>7,276,073.16</u>		<u>11,039,205.55</u>	
	<u>9,940,221.98</u>		<u>12,276,073.16</u>	
Less:				
Utilized as Anticipated Revenue	<u>4,750,000.00</u>		<u>5,000,000.00</u>	
Fund Balance, December 31,	<u>\$ 5,190,221.98</u>		<u>\$ 7,276,073.16</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

WATER UTILITY OPERATING FUND

	<u>Year 2024</u>	<u>Year 2023</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 500,000.00	11.041%	\$ 500,000.00	10.652%
Collection of Water Rents	3,141,587.02	69.370%	3,179,944.00	67.747%
Miscellaneous - From Other Than Water Rents	639,238.44	14.115%	688,695.00	14.672%
Other Credits to Income	247,909.91	5.474%	325,214.00	6.929%
Total Revenue and Other Income Realized	<u>4,528,735.37</u>	<u>100.00%</u>	<u>4,693,853.00</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,937,125.00	47.634%	1,978,896.00	49.574%
Capital Improvements	525,000.00	12.910%	525,000.00	13.152%
Debt Service	1,475,997.00	36.295%	1,369,865.00	34.317%
Deferred Charges and Statutory Expenditures	128,550.00	3.161%	118,024.00	2.957%
Total Expenditures	<u>4,066,672.00</u>	<u>100.00%</u>	<u>3,991,785.00</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	<u>462,063.37</u>		<u>702,068.00</u>	
Fund Balance, January 1,	<u>2,212,389.81</u>		<u>2,010,321.81</u>	
	<u>2,674,453.18</u>		<u>2,712,389.81</u>	
Less:				
Utilized as Anticipated Revenue	<u>500,000.00</u>		<u>500,000.00</u>	
Fund Balance, December 31,	<u>\$ 2,174,453.18</u>		<u>\$ 2,212,389.81</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

SOLID WASTE UTILITY OPERATING FUND

	<u>Year 2024</u>	<u>Year 2023</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 435,000.00	13.964%	\$ 355,000.00	14.197%
Collection of Solid Waste Fees	2,609,790.60	83.778%	2,066,594.00	82.649%
Miscellaneous - From Other Than Sewer Rents	69,746.11	2.239%	78,050.00	3.121%
Other Credits to Income	579.33	0.019%	811.00	0.032%
<u>Total Revenue and Other Income Realized</u>	<u>3,115,116.04</u>	<u>100.00%</u>	<u>2,500,455.00</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	2,714,027.04	95.347%	2,401,835.00	99.502%
Deferred Charges and Statutory Expenditures	12,294.00	0.432%	12,015.00	0.498%
Other Charges	120,160.77	4.221%	-	0.000%
<u>Total Expenditures</u>	<u>2,846,481.81</u>	<u>100.00%</u>	<u>2,413,850.00</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	268,634.23		86,605.00	
 Income Included Above Charged to Budget Deficit	<u>241,871.04</u>		<u>-</u>	
 Statutory Excess to Fund Balance	510,505.27		375,571.77	
 Fund Balance, January 1,	<u>910,696.11</u>		<u>1,179,091.11</u>	
	<u>1,421,201.38</u>		<u>1,265,696.11</u>	
 Less:				
Utilized as Anticipated Revenue	<u>435,000.00</u>		<u>355,000.00</u>	
 Fund Balance, December 31,	<u>\$ 986,201.38</u>		<u>\$ 910,696.11</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

SEWER UTILITY OPERATING FUND

	<u>Year 2024</u>	<u>Year 2023</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	76,000.00	5.951%	87,000.00	6.977%
Collection of Sewer User Fees	852,007.99	66.720%	853,891.00	68.474%
Miscellaneous - From Other Than Sewer Rents	18,506.13	1.449%	15,664.00	1.256%
Board of Education - Share of Debt Service	103,440.00	8.100%	87,987.00	7.056%
Deficit (General Budget)	165,880.74	12.990%	118,734.00	9.521%
Other Credits to Income	61,162.34	4.790%	83,748.00	6.716%
<u>Total Revenue and Other Income Realized</u>	<u>1,276,997.20</u>	<u>100.00%</u>	<u>1,247,024.00</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	700,735.00	56.079%	697,177.00	61.381%
Capital Improvements	546,579.00	43.742%	436,418.00	38.423%
Deferred Charges and Statutory Expenditures	2,229.00	0.178%	2,229.00	0.196%
<u>Total Expenditures</u>	<u>1,249,543.00</u>	<u>100.00%</u>	<u>1,135,824.00</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	27,454.20		111,200.00	
Fund Balance, January 1,	59,819.29		35,619.29	
	87,273.49		146,819.29	
Less:				
Utilized as Anticipated Revenue	76,000.00		87,000.00	
Fund Balance, December 31,	11,273.49		59,819.29	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>3.589</u>	<u>3.486</u>	<u>3.402</u>

Apportionment of Tax Rate:

Municipal (1)	0.653	0.627	0.629
County	0.617	0.616	0.605
Local School	2.319	2.243	2.168

(1) Municipal includes Municipal Library and Municipal Open Space tax.

Assessed Valuation:

2024	\$3,078,261,800.00
2023	\$3,073,326,200.00
2022	\$3,063,881,400.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2024	\$110,689,240.13	\$109,141,670.48	98.60%
2023	107,506,319.93	106,221,598.66	98.80%
2022	104,599,507.00	103,518,694.00	98.97%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decrease in budgeted expenditures.

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Dec 31, Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$1,384,345.11	\$227,309.28	\$1,611,654.39	1.46%
2023	1,177,269.35	209,116.75	1,386,386.10	1.29%
2022	984,997.00	211,112.00	1,196,109.00	1.14%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2024	\$2,907,000.00
2023	2,907,000.00
2022	2,907,000.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2024	\$3,159,305.41	\$3,141,587.02
2023	3,103,279.00	3,179,944.00
2022	3,221,555.00	3,191,196.00

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2024	\$856,542.72	\$852,007.99
2023	840,371.00	853,891.00
2022	896,231.00	905,046.00

COMPARISON OF SOLID WASTE UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2024	\$2,622,298.46	\$2,609,790.60
2023	2,084,141.00	2,066,594.00
2022	2,138,489.00	2,037,753.00

* Includes collection of prior year receivables.

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund:</u>	2024	\$5,190,221.98	\$4,750,000.00
	2023	7,276,073.16	4,750,000.00
	2022	11,039,206.00	5,000,000.00
 <u>Water Utility:</u>			
Operating Fund:	2024	\$2,174,453.18	\$500,000.00
	2023	2,212,389.81	500,000.00
	2022	2,010,323.00	500,000.00
 <u>Sewer Utility:</u>			
Operating Fund:	2024	\$11,273.49	\$0.00
	2023	59,819.29	76,000.00
	2022	35,619.00	87,000.00
 <u>Solid Waste Utility:</u>			
Operating Fund:	2024	\$986,201.38	\$435,000.00
	2023	910,696.11	355,000.00
	2022	1,179,091.00	355,000.00

Schedule 1

Township of Sparta

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Program or Award Amount	Grant Period To/From	12/31/2023		Receipts	Expended	12/31/2024		Reserve Balance	MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance			(Receivable)	Reserve Balance		
CURRENT FUND											
U.S. Department of Homeland Security Federal Emergency Management Agency (Passed through N.J. State Police Department of Law and Public Safety) Public Assistance (DR 4483-NJ)	97.036	50,871.34	1/1/21-12/31/21	-	-	50,871.34	(50,871.34)	-	-	-	8,844.84
TOTAL CURRENT FUND						50,871.34	(50,871.34)	-	-	-	38,733.32
FEDERAL AND STATE GRANT FUND											
U.S. Department of Treasury (Passed through N.J. Department of Community Affairs - Division of Local Government Services) A.R.P. - Local Fiscal Recovery Funds A.R.P. - Firefighter Grant Program A.R.P. - Automated License Plate Reader Initiative Total U.S. Department of Treasury	21.027	1,344,218.40	3/1/21-12/31/26	-	447,647.46	26,800.00	(408,718.69)	(23,200.00)	-	38,928.77	1,305,289.63
	21.027	50,000.00	3/1/21-12/31/26	-	-	(49,877.57)	(68,800.00)	(68,800.00)	-	122.43	49,877.57
	21.027	63,800.00	12/01/22-11/30/24	-	447,647.46	26,800.00	(527,396.26)	(52,000.00)	-	-	68,800.00
									39,051.20		1,423,967.20
U.S. Department of Transportation (Passed through N.J. Division of Highway Traffic Safety) Distracted Driving Incentive Grant Impaired Driving Countermeasure Impaired Driving Countermeasure Impaired Driving Countermeasure Safety Restraint Program Preventing Roadside Deaths Drive Sober or Get Pulled Over Total U.S. Department of Transportation	20.616	6,325.00	1/1/21-12/31/21	-	794.40	-	(151.00)	-	643.40	-	5,681.60
	20.616	8,750.00	1/1/22-12/31/22	-	8,750.00	-	(8,750.00)	-	-	-	8,750.00
	20.616	7,000.00	1/1/23-12/31/23	-	7,000.00	-	(5,887.25)	-	1,112.75	-	5,887.25
	20.616	7,000.00	1/1/24-12/31/24	-	-	7,000.00	-	-	7,000.00	-	-
	20.600	4,900.00	1/1/24-12/31/24	-	-	4,900.00	-	-	4,900.00	-	-
	20.616	6,930.00	1/1/24-12/31/24	-	-	6,930.00	-	-	6,930.00	-	-
	20.616	3,000.00	1/1/24-12/31/24	-	-	-	(3,000.00)	(3,000.00)	-	-	3,000.00
					16,544.40	18,830.00	(17,788.25)	(3,000.00)	20,386.15		23,318.85
TOTAL FEDERAL AID					-	464,191.86	45,630.00	(545,184.51)	(95,000.00)	59,637.35	1,447,286.05
TOTAL FEDERAL AND STATE GRANT FUND					-	464,191.86	96,501.34	(596,055.83)	(95,000.00)	59,637.35	1,486,019.37

Township of Sparta

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2023			12/31/2024			Cumulative Total Expenditures
				(Receivable)	Reserve Balance	Receipts	Expended	(Receivable)	Reserve Balance	
FEDERAL AND STATE GRANT FUND										
N.J. Department of Environmental Protection:										
Clean Communities	042-4900-765-004	46,444.00	1/1/18-12/31/18	(1,424.35)	-	-	(17,085.80)	-	(1,424.35)	-
Clean Communities	042-4910-765-004	48,661.35	1/1/21-12/31/21	-	49,663.59	-	(18,421.96)	-	-	48,661.35
Clean Communities	042-4900-765-004	49,663.59	1/1/22-12/31/22	-	55,703.40	-	-	-	31,241.63	18,421.96
Clean Communities	042-4900-765-004	55,703.40	1/1/23-12/31/23	-	-	-	-	-	55,703.40	-
Clean Communities	042-4900-765-004	63,268.58	1/1/24-12/31/24	-	-	-	-	-	63,268.58	-
Highlands Grant	N/A	25,000.00	(13,054.65)	21,451.65	-	(12,763.00)	(13,054.65)	8,688.65	113,527.31	113,527.31
Recycling Tonnage	042-4910-100-224	55,168.33	1/1/22-12/31/22	-	50,052.21	-	(43,850.92)	-	6,201.29	48,967.54
Recycling Tonnage	042-4910-100-224	46,282.59	1/1/23-12/31/23	-	46,282.59	-	-	-	46,282.59	-
Recycling Tonnage	042-4910-100-224	54,238.59	1/1/23-12/31/24	-	96,334.80	54,238.59	(43,850.92)	-	54,238.59	-
Stormwater Assistance Grant	042-4850-100-099	15,000.00	1/1/23-12/31/23	-	15,000.00	-	-	-	106,722.47	48,967.54
Total N.J. Department of Environmental Protection:				(14,479.00)	255,239.24	117,597.17	(92,121.68)	(14,479.00)	280,624.73	178,806.20
N.J. Department of Community Affairs:										
Local Efficiency Achievement Program	022-8030-495-667	229,000.00	1/1/22-12/31/22	(229,000.00)	290.95	185,070.01	-	(43,929.99)	290.95	228,709.05
Total N.J. Department of Community Affairs:										
Alcohol Education Rehab Fund	098-9735-760-001	539.00	1/1/12-12/31/12	-	455.70	-	(455.70)	-	-	539.00
Alcohol Education Rehab Fund	098-9735-760-001	527.00	1/1/13-12/31/13	-	527.00	-	(527.00)	-	-	527.00
Alcohol Education Rehab Fund	098-9735-760-001	354.00	1/1/14-12/31/14	-	344.00	-	(354.00)	-	-	354.00
Alcohol Education Rehab Fund	098-9735-760-001	73.23	1/1/18-12/31/18	-	73.23	-	(73.23)	-	-	73.23
Alcohol Education Rehab Fund	098-9735-760-001	2,009.00	1/1/18-12/31/19	-	2,009.00	-	(1,316.12)	-	692.88	1,316.12
Alcohol Education Rehab Fund	098-9735-760-001	4,738.00	1/1/18-12/31/20	-	4,738.00	-	-	-	4,738.00	-
Alcohol Education Rehab Fund	098-9735-760-001	389.38	1/1/23-12/31/23	-	389.38	-	-	-	389.38	-
Municipal Alliance	N/A	16,042.00	1/1/21-12/31/21	(4,379.77)	9,270.82	4,379.77	(9,270.82)	-	-	16,042.00
Municipal Alliance	N/A	16,042.00	1/1/22-12/31/22	(16,042.00)	16,042.00	4,308.93	(1,768.29)	(11,733.07)	14,273.71	1,768.29
Municipal Alliance	N/A	16,042.00	1/1/23-12/31/23	(16,042.00)	16,042.00	-	-	(16,042.00)	16,042.00	-
Municipal Alliance	N/A	16,042.00	1/1/24-12/31/24	(36,463.77)	41,354.82	8,688.70	(11,039.11)	(43,817.07)	43,357.71	17,810.29
Total N.J. Department of Community Affairs:				(265,463.77)	50,192.08	193,758.71	(13,765.16)	(87,747.06)	52,468.92	249,328.69
N.J. Division of Motor Vehicles:										
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	5,500.00	1/1/19-12/31/19	-	648.48	-	(648.48)	-	-	5,500.00
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	13,000.00	1/1/21-12/31/21	-	13,000.00	-	(13,000.00)	-	-	13,000.00
Total N.J. Division of Motor Vehicles:										
Total N.J. Department of Motor Vehicles:										
Note: This schedule was not subject to an audit in accordance with N.J.CMB Circular 15-08.										

Township of Sparta

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	12/31/2023			12/31/2024			Cumulative Total Expenditures
			Grant Period From/To	(Receivable)	Reserve Balance	Receipts	Expended	(Receivable)	
N.J. Department of Transportation	Green Road	175,000.00	1/1/20-12/31/20	(175,000.00)	-	-	-	(175,000.00)	-
Total N.J. Department of Transportation:									
N.J. Department of Law and Public Safety									
Body Armor	066-1020-718-001	3,185.00	1/1/20-12/31/20	-	79.71	-	(79.71)	-	3,185.00
Body Armor	066-1020-718-001	4,042.12	1/1/21-12/31/21	-	4,042.12	-	(4,042.12)	-	4,042.12
Body Armor	066-1020-718-001	2,611.61	1/1/23-12/31/23	-	2,611.61	-	(180.90)	-	2,430.71
Body Armor	066-1020-718-001	2,916.39	1/1/24-12/31/24	-	-	2,916.39	(4,302.73)	-	180.90
Statewide Body-worn Cameras									
Statewide Body-worn Cameras	066-1020-100-495	16,304.00	1/1/22-12/31/22	-	16,304.00	-	-	-	16,304.00
Statewide Body-worn Cameras	066-1020-100-495	28,166.00	1/1/23-12/31/23	-	28,166.00	-	-	-	28,166.00
Statewide Body-worn Cameras	066-1020-100-495	28,166.00	1/1/23-12/31/24	-	44,470.00	28,166.00	-	-	28,166.00
Total N.J. Department of Law and Public Safety					-	51,203.44	31,082.39	(4,302.73)	-
TOTAL FEDERAL AND STATE GRANT FUND									
GENERAL CAPITAL FUND									
N.J. Department of Transportation									
Municipal Aid - Sawmill Road	167,000.00	1/1/21-12/31/21	(167,000.00)	-	-	38,250.00	(38,250.00)	(167,000.00)	-
Municipal Aid - Houses Corner Road	155,000.00	1/1/22-12/31/22	(167,000.00)	-	-	38,250.00	(38,250.00)	(167,000.00)	-
TOTAL GENERAL CAPITAL FUND						38,250.00	(38,250.00)	(167,000.00)	-
TOTAL STATE AID						(621,942.77)	370,283.24	(123,838.05)	(277,226.06)
									629,042.91

Note: This schedule was not subject to an audit in accordance with N.J.CMB Circular 15-08.

Township of Sparta, N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	A	\$10,538,987.10
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Increased by Receipts:

Refund of Prior Year Expenses	A-1	\$ 50,780.89
Miscellaneous Revenue Not Anticipated	A-2	242,733.86
Collector of Taxes	A-6	110,636,978.21
Due To State - Senior Citizen and Veteran Deductions	A-7	93,250.00
Revenue Accounts Receivable	A-11	5,127,367.22
Interfunds	A-12	3,638,699.71
Various Cash Liabilities and Reserves	A-19	<u>124,555.36</u>
		119,914,365.25
		<u>130,453,352.35</u>

Decreased by Disbursements:

Cancel Reconciling Items	A-1	158,719.20
Current Year Budget Appropriations	A-3	27,280,044.95
Interfunds	A-12	1,274,399.37
Appropriation Reserves	A-14	1,034,060.02
Encumbrances Payable - Various Reserves	A-15	33,981.20
Local District School Taxes	A-17	71,357,944.00
County Taxes Payable	A-18	19,021,822.73
Various Cash Liabilities and Reserves	A-19	<u>225,139.71</u>
		120,386,111.18

Balance - December 31, 2024	A	<u>\$10,067,241.17</u>
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Township of Sparta, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	A	\$ <u>450.00</u>
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Balance - December 31, 2024	A	\$ <u>450.00</u>
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Analysis of Balance:

Tax Collector	200.00
Deputy Clerk	50.00
Municipal Court	100.00
Construction	<u>100.00</u>
	\$ <u>450.00</u>

Schedule of Cash - Collector

Current Fund

Year Ended December 31, 2024

Ref.

Increased by:

Interest and Costs on Taxes	A-2	\$ 271,934.10
Taxes Receivable	A-8	109,507,323.66
Tax Title Liens	A-9	1,082.82
2025 Prepaid Taxes	A-16	<u>856,637.63</u>
		\$110,636,978.21

Decreased by:

Turned over to Treasurer	A-4	<u>\$110,636,978.21</u>
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Township of Sparta, N.J.

Schedule of Amount Due To State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	A	\$ 45,778.63
Increased by:		
Cash Receipts	A-4	<u>93,250.00</u>
<u>139,028.63</u>		
Decreased by:		
Senior Citizens' and Veterans'		
Deductions Per Tax Billings		\$ 92,000.00
Senior Citizens' and Veterans'		
Deductions Allowed by Tax Collector		
Current Year		1,000.00
Less: Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector		
Prior Year		<u>1,750.00</u>
	A-8	<u>91,250.00</u>
Balance - December 31, 2024	A	<u>\$ 47,778.63</u>

Township of Sparta, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2024

Year	Balance, Dec. 31, 2023	Levy	Added Taxes	2023		Collected		Senior Citizen and Veteran Deductions	Cancelled	Transferred to Tax Title Lien	Balance, Dec. 31, 2024
2018	\$ 0.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.16
2019	260.60	-	-	-	-	-	-	-	-	-	260.60
2020	523.60	-	-	-	-	-	-	-	-	-	523.60
2021	600.83	-	-	-	-	20.22	-	-	-	47.13	-
2022	16,023.11	-	-	-	-	15,210.74	-	-	-	244.86	-
2023	1,159,861.05	-	-	-	-	1,117,196.47	(1,750.00)	-	13,006.26	27,693.59	3,714.73
	1,177,269.35	-	-	-	-	1,132,427.43	(1,750.00)	-	13,298.25	27,693.59	5,600.08
2024	-	110,478,820.87	210,419.26	-	673,774.25	108,374,896.23	93,000.00	-	25,236.88	143,587.74	1,378,745.03
	\$ 1,177,269.35	<u>\$110,478,820.87</u>	<u>\$ 210,419.26</u>	<u>\$ 673,774.25</u>	<u>\$ 109,507,323.66</u>	<u>\$ 91,250.00</u>	<u>\$ 91,250.00</u>	<u>\$ 38,535.13</u>	<u>\$ 171,281.33</u>	<u>\$ 1,384,345.11</u>	<u>A</u>
								<u>A-2; A-6</u>	<u>A-9</u>		

Analysis of Tax Levy

Tax yield:

General Purpose Tax
Added Tax (R.S. 54:4-63.1 et seq.)

Ref:

\$110,478,820.87
210,419.26

\$110,689,240.13

Tax Levy:

Municipal Open Space Tax	\$ 341,687.00
Added Municipal Open Space Tax	698.17
Local District School Tax	18,963,101.97
County Tax	71,357,944.00
Added County Taxes	36,334.45
	18,999,436.42
	90,699,765.59

Local Tax for Municipal Purposes	18,344,637.91
Additional Taxes	1,644,836.63
	19,989,474.54

\$110,689,240.13

Township of Sparta, N.J.**Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	A	\$ 209,116.75
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Increased by:

Interest and Costs Accrued by Sale	\$ 1,652.82
Adjustments	220.00
Transfers from Taxes Receivable	A-8 <u>38,535.13</u>
	<u>40,407.95</u>
	<u>249,524.70</u>

Decreased by:

Cash Receipts	A-6 1,082.82
Adjustments	<u>21,132.60</u>
	<u>22,215.42</u>
Balance - December 31, 2024	A <u>\$ 227,309.28</u>

A-10

**Schedule of Property Acquired for
Taxes - Assessed Valuation****Current Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	A <u>\$2,907,000.00</u>
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Balance - December 31, 2024	A <u>\$2,907,000.00</u>
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Township of Sparta, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>	Balance Dec. 31, 2024
Clerk:				
Licenses:				
Alcoholic beverages	A-2	\$ 16,280.00	\$ 16,280.00	\$ -
Other	A-2	23,199.00	23,199.00	-
Fees and Permits				
Board of Health - Registrar	A-2	11,423.00	11,423.00	-
Board of Health - Sewer	A-2	19,100.00	19,100.00	-
Marriage License	A-2	414.00	414.00	-
Clerk	A-2	5,138.00	5,138.00	-
Zoning	A-2	23,345.00	23,345.00	-
Planning Board	A-2	15,415.70	15,415.70	-
Tax Assessor	A-2	810.00	810.00	-
Police	A-2	46,820.90	46,820.90	-
Leaf Bags	A-2	2,294.00	2,294.00	-
Cell Tower	A-2	331,401.16	331,401.16	-
Quarry Royalties	A-2	813,162.24	813,162.24	-
Municipal Court :				
Fines and Costs	A-2	164,224.75	153,864.63	10,360.12
Interest on Investments and Deposits	A-2	921,256.19	921,256.19	-
Energy Receipts Tax	A-2	1,250,153.00	1,250,153.00	-
Watershed Moratorium	A-2	29,328.00	29,328.00	-
Garden State Trust Pilot	A-2	35,066.00	35,066.00	-
Municipal Relief Funds	A-2	128,861.68	128,861.68	-
Uniform Construction Code Fees	A-2	614,293.00	614,293.00	-
Other Municipalities Share of Radio System Costs	A-2	308,222.00	308,222.00	-
Township of Hardyston - Finance Officer	A-2	38,209.50	38,209.50	-
Township of Hardyston MUA - Finance Officer	A-2	3,594.15	3,594.15	-
Township of Hardyston BOE - Finance Officer	A-2	360.83	360.83	-
Interlocal Byram Fire Prevention	A-2	20,159.00	20,159.00	-
Municipal Court Hamburg	A-2	72,828.00	72,828.00	-
Municipal Court Ogdensburg	A-2	40,000.00	40,000.00	-
PILOT - Senior Citizens Housing	A-2	24,794.50	24,794.50	-
Uniform Fire Safety	A-2	85,604.74	85,604.74	-
Fire Prevention Fees	A-2	40,790.00	40,790.00	-
Cable TV Franchise Fee	A-2	51,179.00	51,179.00	-
		<u>\$5,137,727.34</u>	<u>\$5,127,367.22</u>	<u>\$ 10,360.12</u>
			A-4	A

Township of Sparta, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2024

Fund	Ref.	Due From/(To)			Due From/(To) Balance Dec. 31, 2024
		Balance Dec. 31, 2023	Increased	Decreased	
Assessment Trust Fund		\$ -	\$ 7,559.76	\$ -	\$ 7,559.76
Animal Control Fund		-	9,839.00	-	9,839.00
Other Trust Fund		(427,277.70)	656,376.11	80,748.42	148,349.99
General Capital Fund		-	-	2,666,829.57	(2,666,829.57)
Federal and State Grant Fund		(394,790.83)	520,367.51	367,877.57	(242,300.89)
Water Operating Fund		(2,061.96)	49,338.84	-	47,276.88
Water Capital Fund		(1,802.34)	8,584.75	-	6,782.41
Sewer Operating Fund		(5,755.68)	157,272.88	-	151,517.20
Sewer Capital Fund		907,000.00	-	912,729.92	(5,729.92)
Solid Waste Operating Fund		-	120,160.77	-	120,160.77
		<u>\$ 75,311.49</u>	<u>\$ 1,529,499.62</u>	<u>\$ 4,028,185.48</u>	<u>\$(2,423,374.37)</u>
		A			A
Analysis					
Interfund Accounts Receivable	A-1	\$ 907,000.00			\$ 491,486.01
Interfund Accounts Payable		<u>(831,688.51)</u>			<u>(2,914,860.38)</u>
		<u>\$ 75,311.49</u>			<u>\$(2,423,374.37)</u>
Return of Raised Deficit for Sewer Operating	A-1		25,861.37	-	-
Statutory Excess in Animal Control	A-1		9,257.97	-	-
Matching Funds for Grants	A-3		-	10,413.00	
Disbursed	A-4		1,274,399.37	-	
Received	A-4		-	3,638,699.71	
Municipal Open Space Tax	A-1; A-8		-	341,687.00	
Added Municipal Open Space Tax	A-1; A-8		-	698.17	
Deferred Charges	A-13		-	36,687.60	
Encumbrances Payable	A-15		219,980.91	-	
		<u>\$ 1,529,499.62</u>	<u>\$ 4,028,185.48</u>		

Township of Sparta, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2024

Ref.	Balance, Dec. 31, 2023	Amount in 2024 Budget	<u>Added in 2024</u>		Balance, Dec. 31, 2024
			Current Budget	Interfunds	
Emergency Appropriations (40A:4-48)	A	\$ 175,000.00	\$ 175,000.00	\$ 50,000.00	\$ 50,000.00
Overexpenditure of Trust Reserve	A	6,637.00	-	-	43,324.60
Overexpenditure of Appropriation	A	-	-	36,687.60	1,709.03
\$ 181,637.00		\$ 175,000.00	\$ 51,709.03	\$ 36,687.60	\$ 95,033.63
	A	A-3	A-1; A-3	A-12	A

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2024

	Balance, Dec. 31, 2023	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
General Administration	\$ 2,027.27	\$ 2,027.27	\$ 1,900.00	\$ 127.27
Township Council	2,356.94	2,356.94	2,300.00	56.94
Township Clerk	1.59	1.59	-	1.59
Elections	75.00	75.00	-	75.00
Financial Administration	2,159.07	2,159.07	2,100.00	59.07
Computerized Data Processing	1,005.76	1,005.76	1,000.00	5.76
Collection of Taxes	24.89	24.89	-	24.89
Assessment of Taxes	30.08	30.08	-	30.08
Municipal Court	1.16	1.16	-	1.16
Planning Board	9.27	9.27	-	9.27
Planning Department	276.94	276.94	-	276.94
Board of Adjustment	1,547.30	1,547.30	1,500.00	47.30
Police	3,305.73	3,305.73	3,300.00	5.73
Police Dispatch 911	0.15	0.15	-	0.15
Uniform Fire Safety	13.63	13.63	-	13.63
Road Repair and Maintenance	10,851.76	10,851.76	10,800.00	51.76
Public Buildings and Grounds	95.74	95.74	-	95.74
Vehicle Maintenance	11,313.36	11,313.36	11,292.50	20.86
Snow Removal	32,619.77	32,619.77	32,600.00	19.77
DPW Administration	780.53	780.53	-	780.53
Environmental Commission	166.00	166.00	-	166.00
Animal Regulations	229.14	229.14	-	229.14
Committee on Aging	990.13	990.13	-	990.13
Recreation Services and Programs	146.47	146.47	-	146.47
Maintenance of Parks	4.63	4.63	-	4.63
Construction Official	384.37	384.37	-	384.37
Total Salaries and Wages Within "CAPS"	70,416.68	70,416.68	66,792.50	3,624.18
Other Expenses Within "CAPS":				
General Administration	84.45	84.45	-	84.45
Purchasing	21,490.69	21,490.69	7,638.40	13,852.29
Township Council	7,129.49	7,129.49	6,354.37	775.12
Township Clerk	699.75	699.75	75.00	624.75
Elections	11,095.47	11,095.47	-	11,095.47
Financial Administration	2,207.85	2,207.85	1,895.23	312.62
Annual Audit	30,000.00	30,000.00	15,412.50	14,587.50
Computerized Data Processing	16,528.92	16,528.92	16,299.18	229.74
Collection of Taxes	6,406.74	6,406.74	30.00	6,376.74
Assessment of Taxes	39,426.25	39,426.25	26,718.29	12,707.96
Legal Services and Costs	4,001.70	4,001.70	4,001.00	0.70
Municipal Court	11,420.75	11,420.75	11,266.46	154.29
Engineering Services and Costs	34,929.59	34,929.59	17,598.26	17,331.33
Planning Board	94,990.96	94,990.96	74,948.89	20,042.07
Planning Department	3,355.49	3,355.49	3,223.67	131.82
Economic Development	12,372.00	12,372.00	5,222.00	7,150.00

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2024

	Balance, Dec. 31, 2023	Balance after Transfers	Paid or Charged	Balance Lapsed
Board of Adjustment	0.36	0.36	-	0.36
Insurance:				
General Liability	17,214.18	17,214.18	6,000.00	11,214.18
Workers' Compensation Insurance	4,905.92	4,905.92	-	4,905.92
Employee Group Health	101,826.94	14,630.12	4,006.46	10,623.66
Unemployment Compensation Insurance	1,000.00	1,000.00	-	1,000.00
Police	25,868.57	25,868.57	16,347.18	9,521.39
Purchase of Police Cars	169,620.00	169,620.00	169,620.00	-
Police Dispatch 911	2,573.49	2,573.49	1,080.00	1,493.49
Emergency Management Services	5,492.42	5,492.42	-	5,492.42
Aid to Volunteer Fire Companies	0.20	0.20	-	0.20
Aid to Volunteer Ambulance Companies	25,021.31	25,021.31	1,485.43	23,535.88
Fire	20,095.94	20,095.94	17,797.60	2,298.34
Uniform Fire Safety	2,139.57	2,139.57	389.98	1,749.59
Municipal Prosecutor	1,050.70	1,050.70	1,050.70	-
Road Repairs and Maintenance	176,567.59	176,567.59	14,771.02	161,796.57
Garbage and Trash Removal	14,044.72	14,044.72	630.00	13,414.72
Public Buildings and Grounds	38,165.66	38,165.66	32,219.60	5,946.06
Vehicle Maintenance	15,607.36	15,607.36	6,621.96	8,985.40
Snow Removal	21,880.55	109,077.37	103,996.52	5,080.85
DPW Administration	1,404.40	1,404.40	390.00	1,014.40
Municipal Services Act-Condo Costs	46,280.47	46,280.47	-	46,280.47
Health and Welfare Department	4,314.00	4,314.00	-	4,314.00
Environmental Commission	1,962.08	1,962.08	1,379.19	582.89
Animal Regulation	2,628.20	2,628.20	-	2,628.20
Committee on Aging	24,010.13	24,010.13	20,469.98	3,540.15
Recreation Services Functions	5,797.99	5,797.99	2,312.37	3,485.62
Maintenance of Parks	39,652.99	39,652.99	18,132.74	21,520.25
Electricity	17,580.57	17,580.57	12,937.18	4,643.39
Street Lighting	8,066.17	8,066.17	6,038.00	2,028.17
Telephone	12,609.75	12,609.75	580.30	12,029.45
Water	254.60	254.60	-	254.60
Natural Gas	509.56	5,309.56	4,231.75	1,077.81
Sewerage Processing and Disposal	2,704.93	2,704.93	2,419.96	284.97
Gasoline	127,760.57	122,960.57	26,596.16	96,364.41
Construction Official	1,366.27	1,366.27	400.86	965.41
Accumulated Sick Leave	13,289.94	13,289.94	13,289.94	-
Total Other expenses Within "CAPS"	1,249,408.20	1,249,408.20	675,878.13	573,530.07

Deferred Charges and Statutory Expenditures

Within "CAPS":

Social Security (O.A.S.I.)	877.48	877.48	713.61	163.87
Total Deferred Charges and Statutory Expenditures Within "CAPS"	877.48	877.48	713.61	163.87
Total Reserves Within "CAPS"	1,320,702.36	1,320,702.36	743,384.24	577,318.12

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2024

	Balance, Dec. 31, 2023	Balance after Transfers	Paid or Charged	Balance Lapsed
Other Expenses Excluded From "CAPS":				
Emergency Services Volunteer Length of Service Award Program	32,500.00	32,500.00	32,500.00	-
Maintenance of Free Public Library	258,175.78	258,175.78	258,175.78	-
Total Other Expenses Excluded from "CAPS"	290,675.78	290,675.78	290,675.78	-
Total Reserves Excluded from "CAPS"	290,675.78	290,675.78	290,675.78	-
Total Reserves	<u>\$1,611,378.14</u>	<u>\$1,611,378.14</u>	<u>\$1,034,060.02</u>	<u>\$ 577,318.12</u>
			A-4	A-1

Ref.

Analysis of Appropriation Reserve

Unencumbered	A 1,164,926.06
Encumbered	A <u>446,452.08</u>
<u>\$1,611,378.14</u>	

Township of Sparta, N.J.

Schedule of Encumbrances Payable - Various Reserves**Current Fund****Year Ended December 31, 2024**

	<u>Ref.</u>	
Balance - December 31, 2023	A	\$ 33,981.20
Increased by:		
Refund of Prior Year Revenues	A-1	20,642.85
Interfund Other Trust	A-12	<u>219,980.91</u>
		<u>240,623.76</u>
		<u>274,604.96</u>
Decreased by:		
Cash Disbursements	A-4	<u>33,981.20</u>
Balance - December 31, 2024	A	<u>\$ 240,623.76</u>

Schedule of Prepaid Taxes**Current Fund****Year Ended December 31, 2024**

	<u>Ref.</u>	
Balance - December 31, 2023	A	\$ 673,774.25
Increased by:		
Receipts - Prepaid 2025 Taxes	A-6	<u>856,637.63</u>
		<u>1,530,411.88</u>
Decreased by:		
Applied to 2024 Taxes	A-8	<u>673,774.25</u>
Balance - December 31, 2024	A	<u>\$ 856,637.63</u>

Township of Sparta, N.J.

Schedule of Local District School Tax Payable

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2024	A-1; A-8	<u>\$71,357,944.00</u>
Decreased by:		
Payments	A-4	<u>\$71,357,944.00</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	A	\$ 58,730.50
Increased by:		
Levy	A-8	\$18,963,101.97
Added and Omitted Taxes	A-8	<u>36,334.45</u>
	A-1	<u>18,999,436.42</u>
		<u>19,058,166.92</u>
Decreased by:		
Payments	A-4	<u>19,021,822.73</u>
Balance - December 31, 2024	A	<u>\$ 36,344.19</u>

Township of Sparta, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2024

	Balance, Dec. 31, <u>2023</u>	Increased <u>Decreased</u>	Balance, Dec. 31, <u>2024</u>
<u>Liabilities:</u>			
Tax Overpayments	\$ 51,188.03	\$ 68,743.36	\$ 51,188.03
Due to State of New Jersey:			
Construction Code Surcharge	8,970.00	51,407.00	41,130.00
Lead Inspection Fees	-	780.00	535.00
Marriage License Surcharge	650.00	3,625.00	3,425.00
Reserves for:			
Municipal Relief Funds	<u>128,861.68</u>	<u>-</u>	<u>128,861.68</u>
	<u><u>\$ 189,669.71</u></u>	<u><u>\$ 124,555.36</u></u>	<u><u>\$ 225,139.71</u></u>
	<u><u>A</u></u>	<u><u>A-4</u></u>	<u><u>A-4</u></u>
			<u><u>\$ 89,085.36</u></u>
			<u><u>A</u></u>

Township of Sparta, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2024

Grant	Balance, Dec. 31, 2023	Budget Revenue	Received	Transfer from Unappropriated Reserves	Balance, Dec. 31, 2024
Federal Grants:					
Drive Sober or Get Pulled Over	\$ -	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Highway Traffic Safety	-	15,000.00	-	15,000.00	-
ARP - Assistance to Firefighters	-	50,000.00	26,800.00	-	23,200.00
ARP - Automated License Plate Reader	-	68,800.00	-	-	68,800.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	136,800.00	26,800.00	15,000.00	95,000.00
State Grants:					
Recycling Tonnage Grant	-	46,282.00	-	46,282.00	-
Clean Communities Grant	1,424.35	55,703.00	-	55,703.00	1,424.35
LEAP Grant	229,000.00	-	185,070.01	-	43,929.99
Alcohol Education and Rehabilitation Func	-	389.00	-	389.00	-
Highlands Grant	13,054.65	-	-	-	13,054.65
Municipal Alliance Program	36,463.77	16,042.00	6,341.00	2,347.70	43,817.07
Body Armor Replacement	-	2,611.00	-	2,611.00	-
DOT Grant - Green Road	175,000.00	-	-	-	175,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	454,942.77	121,027.00	191,411.01	107,332.70	277,226.06
Local Grants:					
Municipal Alliance Program	-	10,413.00	10,413.00	-	-
Sustainable New Jersey Grant	18,000.00	-	-	-	18,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18,000.00	10,413.00	10,413.00	-	18,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 472,942.77	\$ 268,240.00	\$ 228,624.01	\$ 122,332.70	\$ 390,226.06
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	A	A-2	A-23	A-22	A

Township of Sparta, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2024

<u>Grant</u>	Balance, Dec. 31, 2023	Transfer From 2024 Budget	Expended	Balance, Dec. 31, 2024
Federal Grants:				
Drive Sober or Get Pulled Over	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -
Distracted Driving Countermeasure	794.40	-	151.00	643.40
Highway Traffic Safety	-	15,000.00	14,637.25	362.75
ARP - Assistance to Firefighters	-	50,000.00	49,877.57	122.43
ARP - Local Fiscal Recovery Funds	447,647.46	-	408,718.69	38,928.77
ARP - Automated License Plate Reader	-	68,800.00	68,800.00	-
	448,441.86	136,800.00	545,184.51	40,057.35
State Grants:				
Recycling Tonnage Grant	50,052.21	46,282.00	43,850.92	52,483.29
Drunk Driving Enforcement Fund	13,648.48	-	13,648.48	-
Clean Communities	66,749.39	55,703.00	35,507.76	86,944.63
Alcohol Education and Rehabilitation Fund	8,156.93	389.00	2,726.05	5,819.88
Municipal Alliance on Alcoholism and Drug Abuse	41,354.82	16,042.00	11,039.11	46,357.71
Body Armor Replacement	1,741.73	2,611.00	4,302.73	50.00
LEAP Grant	290.95	-	-	290.95
Highlands Commission Grant	21,451.65	-	12,763.00	8,688.65
	203,446.16	121,027.00	123,838.05	200,635.11
Local Grants:				
Sustainable New Jersey Grant	18,080.84	-	-	18,080.84
Municipal Alliance on Alcoholism and Drug Abuse	14,321.54	10,413.00	10,489.34	14,245.20
	32,402.38	10,413.00	10,489.34	32,326.04
	<u>\$ 684,290.40</u>	<u>\$ 268,240.00</u>	<u>\$ 679,511.90</u>	<u>\$ 273,018.50</u>
	A			A
	<u>Ref.</u>			
State and Federal Grants	A-3	268,240.00	-	
Interfund - Current Fund	A-23	-	477,389.09	
Interfund - Other Trust	A-23	-	2,619.74	
Encumbrances Payable	A-24	-	199,503.07	
	<u>\$ 268,240.00</u>	<u>\$ 679,511.90</u>		

Township of Sparta, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2024

<u>Grant</u>	Balance Dec. 31, 2023	Transfer		Balance Dec. 31, 2024
		To 2024 <u>Budget</u>	<u>Received</u>	
Federal Grants:				
Impaired Driving Countermeasure	\$ 15,750.00	\$ 15,000.00	\$ 7,000.00	\$ 7,750.00
Safety Restraint Program	-	-	4,900.00	4,900.00
Preventing Roadside Deaths	-	-	6,930.00	6,930.00
	<u>15,750.00</u>	<u>15,000.00</u>	<u>18,830.00</u>	<u>19,580.00</u>
State Grants:				
Recycling Tonnage Grant	46,282.59	46,282.00	54,238.59	54,239.18
Clean Communities	55,703.40	55,703.00	63,268.58	63,268.98
Alcohol Education and Rehabilitation Fund	389.38	389.00	-	0.38
Body Armor Replacement Fund	4,991.71	2,611.00	2,916.39	5,297.10
Statewide Body-worn Camera Program	44,470.00	-	28,166.00	72,636.00
Stormwater Assistance Grant	<u>15,000.00</u>	<u>-</u>	<u>-</u>	<u>15,000.00</u>
	<u>166,837.08</u>	<u>104,985.00</u>	<u>148,589.56</u>	<u>210,441.64</u>
Local Grants:				
Municipal Alliance on Alcoholism and Drug Abuse	<u>2,347.70</u>	<u>2,347.70</u>	<u>-</u>	<u>-</u>
	<u>\$ 184,934.78</u>	<u>\$ 122,332.70</u>	<u>\$ 167,419.56</u>	<u>\$ 230,021.64</u>
	A	A-20	A-23	A

Township of Sparta, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2024

Ref.	Due From/(To)			Due From/(To) Balance Dec. 31, 2024
	Balance Dec. 31, 2023	Increased	Decreased	
Current Fund	A \$ 394,790.83	\$ 367,877.57	\$ 520,367.51	\$ 242,300.89
Other Trust Fund	A <u>44,470.00</u>	<u>28,166.00</u>	<u>2,619.74</u>	<u>70,016.26</u>
	<u>\$ 439,260.83</u>	<u>\$ 396,043.57</u>	<u>\$ 522,987.25</u>	<u>\$ 312,317.15</u>
State Grant Receipts	A-20	228,624.01	-	-
Matching Funds for State Grants	A-21	-	-	-
State Grant Expenditures	A-21	-	477,389.09	
State Grant Expenditures	A-21	-	2,619.74	
Unappropriated Reserves	A-22	167,419.56	-	-
Encumbrances	A-24	-	42,978.42	
		<u>\$ 396,043.57</u>	<u>\$ 522,987.25</u>	

Township of Sparta, N.J.

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	A	\$ 42,978.42
Increased by:		
Appropriated Reserves	A-21	<u>199,503.07</u>
		<u>242,481.49</u>
Decreased by:		
Interfund - Current Fund	A-23	<u>42,978.42</u>
Balance - December 31, 2024	A	<u><u>\$ 199,503.07</u></u>

Township of Sparta, N.J.

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Emergency Services Volunteer Length of Service Award Program</u>
Balance - December 31, 2023	B	\$ 92,390.02	\$ 45,564.02	\$ 6,718,709.31	\$ 411,388.87
Increased by Receipts:					
Assessments Receivable	B-6	70,385.84	-	-	-
Prepaid Dog Licenses	B-10	-	10,080.00	-	-
Prepaid Cat Licenses	B-10	-	768.00	-	-
Schedule of Interfunds	B-11	7,559.76	-	-	-
Schedule of Interfunds	B-12	-	581.03	-	-
Schedule of Interfunds	B-13	-	-	726,392.37	-
Dog License Fees - Township Share	B-14	-	3,660.00	-	-
Cat License Fees	B-14	-	396.00	-	-
Interlocal Agreement	B-14	-	12,100.00	-	-
Miscellaneous	B-14	-	217.20	-	-
Dog License Fees - State Share	B-15	-	1,707.60	-	-
Other Trust Funds	B-16	-	-	20,174,001.24	-
Township Contributions	B-18	-	-	-	46,000.00
Increase in Investment Value	B-19	-	-	-	65,499.03
Total Receipts		<u>77,945.60</u>	<u>29,509.83</u>	<u>20,900,393.61</u>	<u>111,499.03</u>
		<u>170,335.62</u>	<u>75,073.85</u>	<u>27,619,102.92</u>	<u>522,887.90</u>
Decreased by Disbursements:					
Payment of Principal & Interest	B-7	54,629.82	-	-	-
Assessment Overpayments	B-9	28,888.20	-	-	-
Schedule of Interfunds	B-11	-	-	125,218.42	-
Reserve (Deficit) for Animal Control Expenditures	B-14	-	17,722.16	-	-
State Share - Dog Licenses	B-15	-	1,695.00	-	-
Other Trust Funds	B-16	-	-	19,728,483.75	-
Reserve from Encumbrances	B-17	-	976.96	-	-
Accounting Charge	B-19	-	-	-	1,425.00
Distributions	B-19	-	-	-	49,474.24
Total Disbursements		<u>83,518.02</u>	<u>20,394.12</u>	<u>19,853,702.17</u>	<u>50,899.24</u>
Balance - December 31, 2024	B	<u>\$ 86,817.60</u>	<u>\$ 54,679.73</u>	<u>\$ 7,765,400.75</u>	<u>\$ 471,988.66</u>

Township of Sparta, N.J.

Schedule of Cash - Change Fund

Animal Control Trust Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	B	\$ <u>25.00</u>
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Balance - December 31, 2024	B	\$ <u>25.00</u>
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Township of Sparta, N.J.**Analysis of Cash****Assessment Trust Fund****Year Ended December 31, 2024**

	<u>Receipts</u>			<u>Balance</u>	
	<u>Assessments</u>	<u>And Liens</u>	<u>Other</u>	<u>Disbursements</u>	<u>Dec. 31, 2024</u>
<u>Dec. 31, 2023</u>					
Glen Lake Dam	\$ 92,390.02	<u>\$ 70,385.84</u>	<u>\$ 7,559.76</u>	<u>\$ 83,518.02</u>	<u>\$ 86,817.60</u>
		<u>B</u>			<u>B</u>

Township of Sparta, N.J.

Schedule of Assessments Receivable

Assessment Trust Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Date of Confir- mation	Balance Dec. 31, 2023	Collected	Balance Dec. 31, 2024	Balance Pledged to	
						NJ DEP Loan	Reserve
16-03	Glen Lake Dam	10/25/2016	\$ 479,876.58	\$ 70,385.84	\$ 409,490.74	\$ 275,835.94	\$ 133,654.80

Township of Sparta, N.J.**Schedule of NJ Department of Environmental Protection Loan Payable****Assessment Trust Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	B	\$ 409,723.60
Decreased by:		
Payments	B-3	<u>54,629.82</u>
Balance - December 31, 2024	B; B-6	<u>\$ 355,093.78</u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 355,093.78
05/24/25	\$ 3,314.32	\$ 24,000.59	327,778.87
11/24/25	3,074.31	24,240.59	300,463.97
05/24/26	2,831.91	24,483.00	273,149.06
11/24/26	2,587.08	24,727.83	245,834.15
05/24/27	2,339.80	24,975.11	218,519.24
11/24/27	2,090.05	25,224.86	191,204.33
05/24/28	1,837.80	25,477.10	163,889.43
11/24/28	1,583.03	25,731.88	136,574.52
05/24/29	1,325.71	25,989.19	109,259.62
11/24/29	1,065.82	26,249.09	81,944.71
05/24/30	803.33	26,511.58	54,629.80
11/24/30	538.21	26,776.69	27,314.90
05/24/31	270.45	27,044.45	-
	<u>\$ 23,661.82</u>	<u>\$ 331,431.96</u>	

Township of Sparta, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Balance Dec. 31, 2023	Balance Dec. 31, 2024
Assessments Receivable			
16-03	Glen Lake Dam	\$ 133,654.80	\$ 133,654.80
		B	B/B-3

Township of Sparta, N.J.

Schedule of Assessment Overpayments

Assessment Trust Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	B	<u>\$ 28,888.20</u>
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Decreased by:

Refunded	B-3	<u>\$ 28,888.20</u>
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Township of Sparta, N.J.**Schedule of Prepaid Licenses****Animal Control Trust Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	B	\$ 10,593.00
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Increased by:

Cash Receipts - Dog Licenses	B-3	\$ 10,080.00
Cash Receipts - Cat Licenses	B-3	<u>768.00</u>
		10,848.00
		<u>21,441.00</u>

Decreased by:

Prepaid Dog Licenses Applied	B-14	9,933.00
Prepaid Cat Licenses Applied	B-14	<u>771.00</u>
		10,704.00

Balance - December 31, 2024	B	<u>\$ 10,737.00</u>
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Township of Sparta, N.J.**Schedule of Interfunds****Assessment Trust Fund****Year Ended December 31, 2024**

	Due From/(To)	
	Balance	
	<u>Decreased</u>	<u>Dec. 31, 2024</u>
Interfund - Current	\$ 7,559.76	\$ (7,559.76)
	<u>B-3</u>	<u>B</u>

B-12**Township of Sparta, N.J.****Schedule of Interfunds****Animal Control Trust Fund****Year Ended December 31, 2024**

	Due From/(To)	
	Balance	
	<u>Decreased</u>	<u>Dec. 31, 2024</u>
Interfund - Current	\$ 9,839.00	\$ (9,839.00)
	<u>B</u>	<u>B</u>
	<u>Ref.</u>	
Cash Receipts	B-3	581.03
Statutory Excess	B-14	<u>9,257.97</u>
		<u>\$ 9,839.00</u>

Township of Sparta, N.J.

Schedule of Interfunds

Other Trust Fund

Year Ended December 31, 2024

	Due From/(To) Balance <u>Dec. 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2024</u>
Interfund - Current	\$ 427,277.70	\$ 80,748.42	\$ 656,376.11	\$ (148,349.99)
Interfund - Federal & State Grants	(44,470.00)	44,470.00	70,016.26	(70,016.26)
Interfund - Water Operating	(25,916.20)	-	-	(25,916.20)
Interfund - Sewer Operating	(3,143.30)	-	-	(3,143.30)
Interfund - Solid Waste Operating	(12,306.32)	-	-	(12,306.32)
	<u>\$ 341,441.88</u>	<u>\$ 125,218.42</u>	<u>\$ 726,392.37</u>	<u>\$ (259,732.07)</u>
	B	B-3	B-3	B

Township of Sparta, N.J.**Schedule of Reserve/(Deficit) for Animal Control Trust Fund Expenditures****Animal Control Trust Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	B	\$ 33,990.26
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Increased by:

Dog License Fees	B-3	\$ 3,660.00
Cat License Fees	B-3	396.00
Miscellaneous	B-3	217.20
Interlocal Agreement	B-3	12,100.00
Prepaid Dog Licenses Applied	B-10	9,933.00
Prepaid Cat Licenses Applied	B-10	<u>771.00</u>
		<u>27,077.20</u>
		<u>61,067.46</u>

Decreased by:

Expenditures R.S. 4:19-1511	B-3	17,722.16
Statutory Excess	B-12	9,257.97
Encumbrances	B-17	<u>2,008.00</u>
		<u>28,988.13</u>
Balance - December 31, 2024	B	<u>\$ 32,079.33</u>

License Fees Collected

<u>Year</u>	
2023	15,824.00
2022	<u>16,255.33</u>
	<u>\$ 32,079.33</u>

Township of Sparta, N.J.**Schedule of Due To/(From) State Department of Health****Animal Control Trust Fund****Year Ended December 31, 2024**

	<u>Ref.</u>	
Balance - December 31, 2023	B	\$ 28.80
Increased by:		
State Fees Collected	B-3	1,707.60
		1,736.40
Decreased by:		
Paid to State	B-3	1,695.00
Balance - December 31, 2024	B	\$ 41.40

Township of Sparta, N.J.

Schedule of Other Trust Reserves

Other Trust Fund

Year Ended December 31, 2024

	Balance <u>Dec. 31, 2023</u>	Increased	Decreased	Balance <u>Dec. 31, 2024</u>
Reserve for P.O.A.A.	\$ 2,372.54	\$ 14.00	\$ -	\$ 2,386.54
Reserve for Recreation Activities	359,861.83	616,552.77	519,768.58	456,646.02
Reserve for Health Plan	250,914.54	49,330.23	66,539.72	233,705.05
Reserve for Outside Police Employment	51,628.79	313,958.29	333,002.31	32,584.77
Reserve for Public Defender	2,425.57	2,990.43	732.63	4,683.37
Reserve for Road Openings	128,382.40	34,500.00	996.53	161,885.87
Reserve for Snow Removal	163,625.07	200,891.00	106,370.47	258,145.60
Reserve for Public Safety Donation	67,056.32	126,292.31	49,526.67	143,821.96
Reserve for Fire Safety	26,884.67	9,710.00	1,498.46	35,096.21
Reserve for State Unemployment Insurance Tax	217,986.12	29,985.86	16,123.94	231,848.04
Reserve for C.O.A.H. Fees	1,984,091.29	176,023.87	12,655.11	2,147,460.05
Reserve for Performance Bonds	969,271.36	315.75	1,566.50	968,020.61
Reserve for Developer's Escrow	195,636.91	200,754.00	219,835.67	176,555.24
Reserve for Accrued Leave	49,082.18	41,700.00	90,740.31	41.87
Reserve for Open Space	529,575.73	350,976.15	-	880,551.88
Reserve for Sparta Landfill	15,270.59	-	15,270.59	-
Reserve for Payroll	64,781.83	17,260,430.24	17,280,054.38	45,157.69
Reserve for Video Camera Funds	-	980.50	-	980.50
Reserve for Premium on Tax Sale	1,705,900.00	366,000.00	717,500.00	1,354,400.00
Reserve for Outside Lienholder	-	392,595.84	392,595.84	-
	<u>\$ 6,784,747.74</u>	<u>\$ 20,174,001.24</u>	<u>\$ 19,824,777.71</u>	<u>\$ 7,133,971.27</u>
	B			B

	Ref.	
Cash Receipts	B-3	20,174,001.24
Cash Disbursements	B-3	-
Encumbrances	B-17	19,728,483.75
		96,293.96
		<u>\$ 20,174,001.24</u>
		<u>\$ 19,824,777.71</u>

Township of Sparta, N.J.**Schedule of Reserve for Encumbrances****Trust Funds****Year Ended December 31, 2024**

	<u>Ref.</u>	
Balance - December 31, 2023		
Animal Control Trust Fund	B	\$ 976.96
Other Trust Funds	B	<u>275,403.45</u>
		\$ 276,380.41
Increased by:		
Charges to Animal Control Fund	B-14	2,008.00
Charges to Other Trust Reserves	B-16	<u>96,293.96</u>
		<u>98,301.96</u>
		374,682.37
Decreased by:		
Animal Control Disbursed	B-3	976.96
Other Trust Disbursed	B-3	<u>-</u>
		<u>976.96</u>
Balance - December 31, 2024		
Animal Control Trust Fund	B	2,008.00
Other Trust Funds	B	<u>371,697.41</u>
		<u>\$ 373,705.41</u>

Township of Sparta, N.J.**Schedule of Contributions Receivable****Emergency Services Volunteer Length of Services Award Program****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	B	\$ 37,260.00
Increased by:		
Adjustment to 2023 Contribution	B-19	\$ 8,740.00
2024 Township Contributions	B-19	<u>40,940.00</u>
		49,680.00
		<u>86,940.00</u>
Decreased by:		
Receipts	B-3	<u>46,000.00</u>
Balance - December 31, 2024	B	<u>\$ 40,940.00</u>

B-19**Schedule of Net Assets Available for Benefits****Emergency Services Volunteer Length of Services Award Program****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	B	\$ 448,648.87
Increased by:		
2024 Township Contributions	B-18	\$ 40,940.00
Adjustment to 2023 Contribution	B-18	8,740.00
Increase in Investment Value	B-3	<u>65,499.03</u>
		115,179.03
		<u>563,827.90</u>
Decreased by:		
Service Charges	B-3	1,425.00
Distributions	B-3	<u>49,474.24</u>
		50,899.24
Balance - December 31, 2024	B	<u>\$ 512,928.66</u>

Township of Sparta, N.J.

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	C	\$ 2,867,865.50
Increased by Receipts:		
Premium on Issuance of Bonds	C-1	\$ 2,379.05
General Serial Bonds Payable	C-7	4,275,000.00
Interfund - Current Fund	C-10	71,420.43
Interfund - Water Operating Fund	C-12	<u>117,157.00</u>
		<u>4,465,956.48</u>
		<u>7,333,821.98</u>
Decreased by Disbursements:		
Bond Anticipation Notes	C-8	3,555,000.00
Improvement Authorizations	C-9	1,521,733.12
Encumbrances Payable	C-13	<u>1,675,439.37</u>
		<u>6,752,172.49</u>
Balance - December 31, 2024	C	<u>\$ 581,649.49</u>

Township of Sparta, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2024

	Receipts			Disbursements			Balance or (Deficit) Dec. 31, 2024
	Balance or (Deficit) Dec. 31, 2023	Bond Issuance	Miscellaneous	Improvement Authorizations	From	To	
Fund Balance	\$ 233,665.51	\$ 2,379.05	\$ -	\$ -	\$ -	\$ -	\$ 236,044.56
Grants Receivable	(167,000.00)	-	-	-	-	-	(167,000.00)
Capital Improvement Fund	1,115,554.16	-	-	-	2,500,000.00	3,038,250.00	1,653,804.16
Reserve for Encumbrances	990,139.45	-	-	1,675,439.37	131,164.09	1,087,645.42	271,181.41
Reserve for Developers Contribution	74,566.00	-	-	-	-	-	74,566.00
Interfund Current Fund	-	-	71,420.43	-	3,038,250.00	300,000.00	(2,666,829.57)
Interfund Water Operating	-	-	117,157.00	-	-	-	117,157.00
Improvement Authorizations:							
09-26 Acquisition of Sustainable Energy Solar Panels	7,064.85	-	-	6,446.60	-	-	-
10-23 Installation of Solar Panels at Germany Flats	10,455.23	-	-	6,016.24	-	-	4,438.99
19-05 Various Capital Improvements	-	-	-	-	-	-	46.62
20-07 Various Capital Improvements	-	-	-	-	-	-	1.00
21-07 Various Capital Improvements	655.68	-	-	3,781.01	-	-	3,173.74
21-17 Purchase of Property - 33 Holland Cr	2,413.69	-	-	-	24,049.33	71,049.69	95,260.28
22-05 Various Capital Improvements	-	720,000.00	-	-	-	-	2,413.69
22-07 Improvements to White Lake Park	(780,000.00)	-	-	164,859.85	65,000.00	32,432.44	161.26
23-04 Construction of a Salt Shed	429,750.56	-	-	568,368.38	382,482.00	250.01	(60,000.00)
23-13 Various Capital Improvements	950,600.37	-	-	-	869,113.73	-	232,323.15
24-09 Various Capital Improvements	-	-	-	748,211.71	\$ 7,057,059.51	\$ 882,674.56	-
	\$ 2,867,865.50	\$ 722,379.05	\$ 188,577.43	\$ 3,197,172.49	\$ 7,057,059.51	\$ 581,649.49	C

Township of Sparta, N.J.**Schedule of Grants Receivable****General Capital Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	C	<u>\$ 167,000.00</u>
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Balance - December 31, 2024	C	<u>\$ 167,000.00</u>
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Analysis

NJ DOT Municipal Aid (Ord. No. 21-07)	<u>\$ 167,000.00</u>
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Township of Sparta, N.J.**Schedule of Deferred Charges to Future
Taxation - Funded****General Capital Fund****Year Ended December 31, 2024**

	<u>Ref.</u>	
Balance - December 31, 2023	C	\$ 515,000.00
Increased by:		
Serial Bonds Issued	C-6	<u>4,275,000.00</u>
		<u>4,275,000.00</u>
Decreased by:		
Serial Bonds Paid by Current Year		
Budget Appropriations	C-7	<u>740,000.00</u>
Balance - December 31, 2024	C	<u>\$ 4,050,000.00</u>

Township of Sparta, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Analysis of Balance Dec. 31, 2024					
		Balance Dec. 31, 2023	Transferred to Deferred Taxation - Funded	Bond Anticipation Notes not Re-issued	Balance Dec. 31, 2024	Expended	
18-04	Various Capital Improvements	\$ 525,000.00	\$ 525,000.00	\$ 200.00	\$ -	\$ -	
19-08	Improvements to the DPW Facilities	541,200.00	541,000.00				
21-18	Acquisition of New and Additional Fire Truck	665,000.00	665,000.00				
22-07	Improvement to White Lake Park	780,000.00	720,000.00				
23-04	Construction of a Salt Shed	2,090,000.00	1,824,000.00	266,000.00	60,000.00	60,000.00	
		<u>\$ 4,601,200.00</u>	<u>\$ 4,275,000.00</u>	<u>\$ 266,200.00</u>	<u>\$ 60,000.00</u>	<u>\$ 60,000.00</u>	
		<u>C</u>	<u>C-5</u>	<u>C-8</u>	<u>C</u>	<u>C</u>	

Township of Sparta, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2024

Township of Sparta, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Original Note	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2023	Decreased
18-04	Various Capital Improvements	\$ 1,050,000.00	10/3/2018	9/27/2023	6/27/2024	4.50%	\$ 525,000.00	\$ 525,000.00
19-08	Improvement to the DPW Facility	902,000.00	10/3/2019	9/27/2023	6/27/2024	4.50%	541,200.00	541,200.00
21-18	Acquisition of a New and Additional Fire Truck	665,000.00	9/28/2022	9/27/2023	6/27/2024	4.50%	665,000.00	665,000.00
23-04	Construction of a Salt Shed	2,090,000.00	9/27/2023	9/27/2023	6/27/2024	4.50%	<u><u>\$ 2,090,000.00</u></u>	<u><u>\$ 2,090,000.00</u></u>
							<u><u>\$ 3,821,200.00</u></u>	<u><u>\$ 3,821,200.00</u></u>
							C	
							Ref.	
							Paid by Bond Funds	3,555,000.00
							C-2	266,200.00
							Additional Note Paydown	<u><u>\$ 3,821,200.00</u></u>

Township of Sparta, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2024

Ref.	Cash Disbursements	C-2
	Interfund - Current Fund	C-10
	Encumbrances Payable	C-13

Township of Sparta, N.J.

Schedule of Due From/(To) Current Fund

General Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Increased by:		
Capital Improvement Fund	C-11	\$ 3,038,250.00
Decreased by:		
Cash Receipts	C-2	\$ 71,420.43
Various Municipal Improvements	C-9	<u>300,000.00</u>
		<u>371,420.43</u>
Balance - December 31, 2024	C	<u><u>\$ 2,666,829.57</u></u>

C-11

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	C	\$ 1,115,554.16
Increased by:		
State Aid Received	\$ 38,250.00	
Budget Appropriation	<u>3,000,000.00</u>	<u>3,038,250.00</u>
	C-10	<u>4,153,804.16</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-9	<u>2,500,000.00</u>
Balance - December 31, 2024	C	<u><u>\$ 1,653,804.16</u></u>

Township of Sparta, N.J.

Schedule of Due From/(To) Water Operating Fund

General Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Decreased by:		
Cash Receipts	C-2	<u>\$ 117,157.00</u>
Balance - December 31, 2024	C	<u><u>\$ (117,157.00)</u></u>

Township of Sparta, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	C	\$ 990,139.45
Increased by:		
Improvement Authorizations	C-9	<u>1,087,645.42</u>
		<u>2,077,784.87</u>
Decreased by:		
Cash Disbursed	C-2	\$ 1,675,439.37
Cancelled	C-9	<u>131,164.09</u>
		<u>1,806,603.46</u>
Balance - December 31, 2024	C	<u><u>\$ 271,181.41</u></u>

C-14

Schedule of Reserve for Developers' Contribution

General Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	C	<u><u>\$ 74,566.00</u></u>
Balance - December 31, 2024	C	<u><u>\$ 74,566.00</u></u>

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Balance Dec. 31, 2023	Bonds Issued	Balance Dec. 31, 2024
22-07	Improvement of White Lake Park	\$ 780,000.00	\$ 720,000.00	\$ 60,000.00

Township of Sparta, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2023	D	<u>\$2,378,544.25</u>	<u>\$ 236,252.46</u>
Increased by Receipts:			
Water Capital Surplus	D-2	-	3,166.75
Fire Hydrant Service	D-3	32,885.42	-
Water Tower Cell Phone Lease	D-3	328,065.89	-
Miscellaneous Revenues	D-3	278,287.13	-
Miscellaneous Revenues not Anticipated	D-3	183,676.77	-
Consumer Accounts Receivable	D-7	3,078,063.95	-
Interfund Receipts	D-10	3,413,578.23	34,043.09
Water Rents Overpayments	D-14	48,897.03	-
Serial Bonds	D-18	-	2,725,000.00
Reserve for Amortization	D-24	-	157,800.00
		<u>7,363,454.42</u>	<u>2,920,009.84</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	3,159,386.87	-
Interfunds	D-10	3,707,875.16	-
Appropriation Reserves	D-13	53,111.30	-
Interest on Bonds	D-16	229,301.59	-
Interest on Notes	D-17	26,022.26	-
Capital Bond Anticipation Notes	D-19	-	502,800.00
Improvement Authorizations	D-20	-	387,683.52
		<u>7,175,697.18</u>	<u>890,483.52</u>
Balance - December 31, 2024	D	<u>\$2,566,301.49</u>	<u>\$2,265,778.78</u>

Township of Sparta, N.J.

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2024

	Balance Dec. 31, 2023	Receipts		Disbursements		Transfers		Balance Dec. 31, 2024
		Proceeds from Bonds	Miscellaneous	Improvement Authorizations	To	From		
Fund Balance	\$ 30,920.00	\$ 3,166.75	\$ 8,584.75	\$ -	\$ -	\$ -	\$ -	\$ 34,086.75
Interfund - Current Fund	(1,802.34)	-	25,458.34	-	521,953.70	500,000.00	-	6,782.41
Interfund - Water Operating Reserve for Encumbrances	-	-	-	-	471,355.10	3,034.95	47,412.04	471,355.10
Reserve for Debt Service	3,034.95	-	-	-	225,000.00	-	225,000.00	225,000.00
Capital Improvement Fund	-	-	-	-	500,000.00	500,000.00	-	10,939.00
Deferred Charge - Note Paydown	10,939.00	(500.00)	-	-	-	-	-	(500.00)
ORD. Improvement Authorizations								
No.								
09-16	Improvements to the Water Supply and Distribution System	225,000.00	-	-	-	-	225,000.00	-
16-11	Improvement to The Water Supply and Distribution System	164.67	-	-	-	-	-	164.67
18-09	Various Water Capital Improvements	-	-	-	16,929.54	94.95	-	94.95
22-06	Various Water Capital Improvements	16,929.54	-	-	2,040.00	2,040.00	-	2,040.00
23-14	Various Water Capital Improvements	11,096.31	-	11,096.31	900.00	-	900.00	900.00
23-20	Various Water Capital Improvements	(59,529.67)	2,380,000.00	-	322,953.81	-	993,308.80	1,004,207.72
24-10	Various Water Capital Improvements	-	-	-	36,703.86	500,000.00	-	463,296.14
	\$ 236,252.46	\$2,383,166.75	\$ 34,043.09	\$ 387,683.52	\$2,221,343.75	\$2,221,343.75	\$2,265,778.78	\$2,265,778.78
	D						D	

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2024

	Balance <u>Dec. 31, 2023</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2024</u>
Water Rents & Capacity				
Charges	<u>\$ 348,399.13</u>	<u>\$3,159,305.41</u>	<u>\$3,141,587.02</u>	<u>\$ 366,117.52</u>
	D		D-3; D-5	D
Cash Receipts		<u>Ref.</u>		
		D-5	3,078,063.95	
Pre-Paid & Overpaid Rents Applied		D-14	<u>63,523.07</u>	
		D-3	<u>\$3,141,587.02</u>	

Township of Sparta, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2024

Ref.

Balance December 31, 2023	D	<u>\$32,285,823.34</u>
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Balance December 31, 2024	D	<u>\$32,285,823.34</u>
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Township of Sparta, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Ordinance Date	Amount	2024 Authorization	
				Balance Dec. 31, 2023	Deferred Reserve for Amortization
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	800,000.00	\$ 800,000.00	\$ 800,000.00
18-09	Various Water Capital Improvements	07/10/2018	510,000.00	510,000.00	-
22-06	Various Water Capital Improvements	07/12/2022	500,000.00	500,000.00	-
23-14	Various Water Capital Improvements	07/11/2023	500,000.00	500,000.00	-
23-20	Various Water Capital Improvements	10/24/2023	2,500,000.00	2,415,000.00	-
24-10	Various Water Capital Improvements	07/23/2024	500,000.00	-	500,000.00
				500,000.00	500,000.00
				<u><u>\$4,725,000.00</u></u>	<u><u>D</u></u>
				<u><u>\$ 500,000.00</u></u>	<u><u>D-20</u></u>
				<u><u>\$5,225,000.00</u></u>	<u><u>D</u></u>

Township of Sparta, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Water Utility Fund

Year Ended December 31, 2024

Ref.	Current Fund	Water Operating Fund			Water Capital Fund		
		Other Trust Funds	General Capital Fund	Water Capital Fund	Sewer Operating Fund	Solid Waste Operating Fund	Current Fund
Balance - December 31, 2023	D	\$ 2,061.96	\$ 25,916.20	\$ -	\$ -	\$ -	\$ 1,802.34
Increased by:							
Interest on Deposits	D-3	-	-	117,157.00	25,458.34	-	-
Disbursements	D-5	33,729.35	-	-	521,953.70	548,911.67	2,486,123.44
Capital Improvement Fund	D-21	<u>33,729.35</u>	<u>-</u>	<u>117,157.00</u>	<u>547,412.04</u>	<u>548,911.67</u>	<u>2,486,123.44</u>
		<u>35,791.31</u>	<u>25,916.20</u>	<u>117,157.00</u>	<u>547,412.04</u>	<u>548,911.67</u>	<u>2,486,123.44</u>
Decreased by:							
Budget Appropriations	D-4	83,068.19	-	-	500,000.00	729,773.92	2,683,804.31
Receipts	D-5	-	-	-	-	-	-
Improvement Authorizations	D-20	<u>83,068.19</u>	<u>-</u>	<u>-</u>	<u>500,000.00</u>	<u>729,773.92</u>	<u>2,683,804.31</u>
Balance - December 31, 2024	D	<u>(47,276.88)</u>	<u>25,916.20</u>	<u>117,157.00</u>	<u>47,412.04</u>	<u>(180,862.25)</u>	<u>(197,680.87)</u>
		<u>(47,276.88)</u>	<u>25,916.20</u>	<u>117,157.00</u>	<u>47,412.04</u>	<u>(180,862.25)</u>	<u>(197,680.87)</u>
						<u>(6,782.41)</u>	<u>(47,412.04)</u>

Township of Sparta, N.J.

Statement of Deferred Charges

Water Utility Operating Fund

Year Ended December 31, 2024

	<u>Added in 2024</u>	<u>Balance, Dec. 31, 2024</u>
Over-expenditure of Appropriation	<u>\$ 3,178.28</u>	<u>\$ 3,178.28</u>
	D-4	D

Township of Sparta, N.J.

Schedule of Deferred Charges

Water Utility Capital Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	D	\$ <u>500.00</u>
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Balance - December 31, 2024	D	\$ <u>500.00</u>
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Township of Sparta, N.J.

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2024

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 25,001.60	\$ 25,001.60	\$ -	\$ 25,001.60
Other Expenses	45,615.23	45,615.23	38,296.90	7,318.33
Capital Improvement Fund:				
Capital Outlay	14,908.20	14,908.20	14,814.40	93.80
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System	<u>5,669.91</u>	<u>5,669.91</u>	<u>-</u>	<u>5,669.91</u>
	<u>\$ 91,194.94</u>	<u>\$ 91,194.94</u>	<u>\$ 53,111.30</u>	<u>\$ 38,083.64</u>
			D-5	D-1

Analysis of Reserve Balance Ref.

Unencumbered	D	47,278.57
Encumbered	D	<u>43,916.37</u>
		<u>\$ 91,194.94</u>

D-14

Schedule of Utility Charge Overpayments

Water Utility Operating Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	D	\$ 63,523.07
Increased by;		
Cash Receipts	D-5	<u>48,897.03</u>
		<u>112,420.10</u>
Decreased by:		
Applied	D-7	<u>63,523.07</u>
Balance - December 31, 2024	D	<u>\$ 48,897.03</u>

Township of Sparta, N.J.

Schedule of Accounts Payable

Water Utility Operating Fund

Year Ended December 31, 2024

Ref.

Balance December 31, 2023	D	\$	691.16
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Decreased by:

Cancelled	D-1	<u>691.16</u>
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Balance December 31, 2024	D	\$	<u><u>-</u></u>
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Township of Sparta, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	D	\$ 31,949.30
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Increased by:

Budget Appropriation for Interest on Bonds	D-4	\$ 230,052.00
Accrued Interest on Notes	D-17	<u>6,696.87</u>
		<u>236,748.87</u>
		<u>268,698.17</u>

Decreased by:

Interest Paid	D-5	<u>229,301.59</u>
Balance - December 31, 2024	D	<u>\$ 39,396.58</u>

Principal Outstanding Dec. 31, 2024	Interest Rate	From	To	Period (days)	Required Amount	Actual Amount
\$ 295,000.00	Various	10/1/2024	12/31/2024	91	\$ 2,933.88	\$ 2,336.26
749,000.00	Various	10/15/2024	12/31/2024	77	5,798.14	4,617.09
1,080,000.00	Various	7/1/2024	12/31/2024	183	16,200.00	12,900.14
2,931,000.00	Various	10/1/2024	12/31/2024	91	19,593.59	15,602.47
2,585,000.00	Various	12/15/2024	12/31/2024	16	4,948.63	3,940.62
<u>\$ 7,640,000.00</u>					<u>\$ 49,474.25</u>	<u>\$ 39,396.58</u>

D-18

Township of Sparta, N.J.

Schedule of Accrued Interest on Notes**Water Utility Operating Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	D	\$ 6,774.13
Increased by:		
Budget Appropriation - Interest on Notes	D-4	25,945.00
		<hr/> 32,719.13
Decreased by:		
Interest Paid	D-5	\$ 26,022.26
Accrued Interest on Bonds	D-16	<hr/> 6,696.87
		<hr/> 32,719.13
Balance - December 31, 2024	D	\$ <hr/> -

Township of Sparta, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31,2024		Interest Rate	Balance, Dec. 31,2023	Increased by	Decreased by	Balance, Dec. 31,2024
			Date	Amount					
Water Bonds of 2011									
	04/28/2011	2,310,000.00	04/01/25	\$ 155,000.00	4.000%	\$ 450,000.00	\$ -	\$ 155,000.00	\$ 295,000.00
			04/01/26	140,000.00	4.000%				
Water Bonds of 2013									
	10/15/2013	1,424,000.00	10/15/25	75,000.00	3.250%				
			10/15/26	80,000.00	3.250%				
			10/15/27	80,000.00	3.250%				
			10/15/28	85,000.00	3.250%				
			10/15/29	85,000.00	4.000%				
			10/15/30	85,000.00	4.000%				
			10/15/31	85,000.00	4.000%				
			10/15/32	85,000.00	4.000%				
			10/15/33	89,000.00	4.000%	824,000.00	-	75,000.00	749,000.00
Water Refunding Bonds of 2014									
	09/10/2014	5,828,000.00	01/01/25	540,000.00	5.000%				
			01/01/26	540,000.00	5.000%	1,630,000.00	-	550,000.00	1,080,000.00
Water Bonds of 2017									
	10/1/2017	4,781,000.00	10/01/25	300,000.00	3.000%				
			10/01/26	350,000.00	2.000%				
			10/01/27	350,000.00	2.500%				
			10/01/28	375,000.00	2.500%				
			10/01/29	400,000.00	2.750%				
			10/01/30	400,000.00	2.750%				
			10/01/31	400,000.00	3.000%				
			10/01/32	356,000.00	3.000%	3,231,000.00	-	300,000.00	2,931,000.00

Township of Sparta, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2024

Township of Sparta, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Original Note		Date of Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31,2023	Decreased
		Date of Issue	Amount of Issue							
17-07	Improvements to Water Utility System	10/04/17	\$ 300,000.00	09/27/23	06/27/24	4.50%	\$ 120,000.00	\$ 120,000.00		
18-09	Various Water Capital Improvements	10/03/18	410,000.00	09/27/23	06/27/24	4.50%	205,000.00	205,000.00		
20-08	Various Water Capital Improvements	07/14/20	254,000.00	09/27/23	06/27/24	4.50%	177,800.00	177,800.00		
							\$ 502,800.00	\$ 502,800.00		
							<u>D</u>	<u>D-5</u>		

Township of Sparta, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2023		Authorizations		Balance Dec. 31, 2024	
				Funded	Unfunded	Capital Fund	Improvement Fund	Encumbrances Cancelled	Paid or Charged
General Improvements:									
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	\$ 800,000	\$ 164.67	\$ -	\$ -	\$ -	\$ 94.95	\$ -
18-09	Various Water Capital Improvements	07/10/2018	\$ 510,000	\$ -	\$ -	\$ -	\$ -	\$ 94.95	\$ -
22-06	Various Water Capital Improvements	7/12/2022	\$ 500,000	\$ 16,929.54	\$ -	\$ -	\$ 2,040.00	\$ 16,929.54	\$ 2,040.00
23-14	Various Water Capital Improvements	7/11/2023	\$ 500,000	\$ 11,096.31	\$ -	\$ -	\$ 900.00	\$ 11,096.31	\$ 900.00
23-20	Various Water Capital Improvements	10/24/2023	\$ 2,500,000	\$ -	\$ 2,320,470.33	\$ -	\$ -	\$ 1,316,262.61	\$ 1,004,207.72
24-10	Various Water Capital Improvements	7/23/2024	\$ 500,000	\$ -	\$ -	\$ 500,000.00	\$ -	\$ 36,703.86	\$ 463,296.14
				\$ 28,190.52	\$2,320,470.33	\$ 500,000.00	\$ 3,034.95	\$ 1,380,992.32	\$ 1,470,703.48
				D	D	D-9	D-22	D	D
Cash Disbursements									
								<u>Ref</u>	
								D-5	\$387,683.52
								D-10	\$521,953.70
								D-22	\$471,355.10
									\$1,380,992.32

Township of Sparta, N.J.**Schedule of Capital Improvement Fund****Water Utility Capital Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	D	\$ 10,939.00
Increased by:		
Budget Appropriation	D-10	<u>500,000.00</u>
<u>510,939.00</u>		
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	D-25	<u>500,000.00</u>
Balance - December 31, 2024	D	<u><u>\$ 10,939.00</u></u>

Schedule of Encumbrances Payable**Water Utility Capital Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	D	\$ 3,034.95
Increased by:		
Improvement Authorizations	D-20	<u>471,355.10</u>
<u>474,390.05</u>		
Decreased by:		
Cancelled	D-20	<u><u>3,034.95</u></u>
Balance - December 31, 2024	D	<u><u>\$ 471,355.10</u></u>

Township of Sparta, N.J.

Schedule of Reserve for Debt Service

Water Utility Capital Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Increased by:		
Overfunded Ordinance	D-24	<u><u>\$ 225,000.00</u></u>
Balance - December 31, 2024	D	<u><u>\$ 225,000.00</u></u>

Township of Sparta, N.J.

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023	D	\$25,151,823.34
Increased by:		
Paid by Bond Funds	D-5	\$ 157,800.00
Serial Bonds Paid by Operating Budget	D-18	1,220,000.00
Transfer from Deferred Reserve for Amortization	D-25	<u>1,726,200.00</u>
		<u>3,104,000.00</u>
		<u>28,255,823.34</u>
Decreased by:		
Reserve for Debt Service	D-23	<u>225,000.00</u>
Balance - December 31, 2024	D	<u>\$28,030,823.34</u>

Township of Sparta, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31,2023</u>	<u>Fixed Capital Authorized</u>	<u>To Reserve for Amortization</u>	<u>Balance, Dec. 31,2024</u>
	<u>General Improvements:</u>					
16-11	Improvement to the Water Supply and System	06/14/2016	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
18-09	Various Water Capital Improvements	07/10/2018	305,000.00	-	-	305,000.00
19-22	Various Water Capital Improvements	11/12/2019	150,000.00	-	-	150,000.00
20-08	Various Water Capital Improvements	07/14/2020	576,200.00	-	-	576,200.00
21-08	Various Water Capital Improvements	05/25/2021	500,000.00	-	-	500,000.00
22-06	Various Water Capital Improvements	07/12/2022	500,000.00	-	-	500,000.00
23-14	Various Water Capital Improvements	7/11/2023	500,000.00	-	-	500,000.00
23-20	Various Water Capital Improvements	10/24/2023	35,000.00	-	-	35,000.00
24-10	Various Water Capital Improvements	7/23/2024	-	500,000.00	-	500,000.00
			<u>\$3,066,200.00</u>	<u>\$ 500,000.00</u>	<u>\$1,726,200.00</u>	<u>\$1,840,000.00</u>
			<u>D</u>	<u>D-21</u>	<u>D-24</u>	<u>D</u>

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31,2023</u>	<u>Bonds Issued</u>
23-20	Various Water Capital Improvements	<u>\$2,380,000.00</u> Footnote D	<u>\$2,380,000.00</u>

Township of Sparta, N.J.

Schedule of Cash - Treasurer

Sewer Utility Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2023	E	<u>\$ 173,131.85</u>	<u>\$ 925,960.84</u>
Increased by Receipts:			
Premium on Bond Sale	E-2	-	3,302.63
Miscellaneous Revenue Anticipated	E-3	18,506.13	-
Board of Education Share of			
Debt Service	E-3	103,440.00	-
Deficit (General Budget)	E-3	165,880.74	-
Miscellaneous Revenue not Anticipated	E-3	13,068.95	-
Consumer Accounts Receivable	E-7	851,772.14	-
Interfund Receipts	E-9	77,175.26	1,359.10
Sewer Rents Overpayments	E-13	213.87	-
Serial Bonds	E-16	-	1,510,000.00
Reserve for Amortization	E-21	-	97,800.00
		<u>1,230,057.09</u>	<u>1,612,461.73</u>
Decreased by Disbursements:			
Budget Appropriations	E-4	1,046,118.39	-
Interfund Disbursements	E-9	180,862.25	912,729.92
Appropriation Reserves	E-12	87,349.82	-
Interest on Bonds	E-14	60,918.89	-
Bond Anticipation Notes	E-17	-	1,607,000.00
		<u>1,375,249.35</u>	<u>2,519,729.92</u>
Balance - December 31, 2024	E	<u>\$ 27,939.59</u>	<u>\$ 18,692.65</u>

Township of Sparta, N.J.

Schedule of Sewer Utility Capital Cash

Sewer Utility Fund

Year Ended December 31, 2024

	Balance Dec.31.2023	Receipts		Disbursements		Transfers To	From	Balance Dec.31.2024
		Bond Antic. Notes/Bonds	Miscellaneous	Miscellaneous	To			
Fund Balance	\$ 5,435.34	\$ 3,302.63	\$ -	\$ 912,729.92	\$ -	\$ -	\$ -	\$ 8,737.97
Interfund - Current Fund	907,000.00	-	-	-	-	-	-	(5,729.92)
Interfund - Sewer Operating Fund	-	-	1,359.10	-	-	-	-	1,359.10
Reserve for Encumbrances	3,327.66	-	-	-	-	-	-	3,291.80
Capital Improvement Fund	8,500.00	-	-	-	-	-	-	8,500.00
Ord. No.	<u>Improvement Authorizations</u>							
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station							
22-18	Supplemental Appropriation - Conversion of White Deer Plazs Sewer Plant							
	\$ 925,960.84	\$ 4,102.63	\$ 1,359.10	\$ 912,729.92	\$ 35.86	\$ 35.86	\$ 35.86	\$ 18,692.65
	E							E

Township of Sparta, N.J.**Schedule of Consumer Accounts Receivable****Sewer Utility Operating Fund****Year Ended December 31, 2024**

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Charges</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Sewer Rents & Capacity				
Charges	<u>\$ 41,928.62</u>	<u>\$ 856,542.72</u>	<u>\$ 852,007.99</u>	<u>\$ 46,463.35</u>
	E			E
		<u>Ref.</u>		
Cash Receipts		E-5	851,772.14	
Overpayments Applied		E-13	235.85	
		E-3	<u>\$ 852,007.99</u>	

Township of Sparta, N.J.

Statement of Deferred Charges**Sewer Utility Operating Fund****Year Ended December 31, 2024**

	Balance, <u>Dec. 31, 2023</u>	Balance, <u>Dec. 31, 2024</u>
Overpenditure of Appropriation Reserves	\$ 11,310.00	\$ 11,310.00

Township of Sparta, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Sewer Utility Funds

Year Ended December 31, 2024

Ref.	Current Fund	Sewer Operating Fund			Sewer Capital Fund		
		Other Trust Funds	Water Operating Fund	Sewer Capital Fund	Current Fund	Sewer Operating Fund	
Balance - December 31, 2023	E	\$ 5,755.68	\$ 3,143.30	\$ -	\$ -	\$ (907,000.00)	\$ -
Increased by:							
Interest on Deposits	E-3	-	-	-	-	-	-
Disbursements	E-5	-	-	180,862.25	-	1,359.10	-
		5,755.68	3,143.30	180,862.25	1,359.10	912,729.92	5,729.92
Decreased by:							
Receipts	E-5	77,175.26	-	-	-	-	1,359.10
Appropriation Reserve	E-12	25,861.37	-	-	-	-	-
Accrued Interest on Notes	E-15	54,236.25	-	-	-	-	-
		157,272.88	-	-	-	-	1,359.10
Balance - December 31, 2024	E	\$ (151,517.20)	\$ 3,143.30	\$ 180,862.25	\$ 1,359.10	\$ 5,729.92	\$ (1,359.10)

Township of Sparta, N.J.

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year Ended December 31, 2024

Ref.

Balance December 31, 2023	E	<u>\$9,803,594.25</u>
Balance December 31, 2024	E	<u>\$9,803,594.25</u>

Township of Sparta, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2023	Balance Dec. 31, 2024
		Date	Amount		
21-09	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	05/25/21	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
22-18	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	12/13/22	700,000.00	<u>700,000.00</u>	<u>700,000.00</u>
				<u><u>\$1,200,000.00</u></u>	<u><u>\$1,200,000.00</u></u>
				E	E

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2024

	Balance, Dec. 31, 2023	After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 1,112.99	\$ 1,112.99	\$ -	\$ 1,112.99
Other Expenses	106,744.20	106,744.20	87,349.82	19,394.38
Other Expenses - SCMUA	3,125.00	3,125.00	-	3,125.00
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System	2,229.00	2,229.00	-	2,229.00
	<u>\$ 113,211.19</u>	<u>\$ 113,211.19</u>	<u>\$ 87,349.82</u>	<u>\$ 25,861.37</u>
Ref.			E-5	E-9
Analysis of Appropriation Reserves				
Unencumbered	E 107,434.31			
Encumbered	E <u>5,776.88</u>			
	<u>\$ 113,211.19</u>			

Schedule of Sewer Utility Charge Overpayments

Sewer Utility Operating Fund

Year Ended December 31, 2024

	Ref.	
Balance - December 31, 2023	E	\$ 235.85
Increased by;		
Cash Receipts	E-5	213.87
		<u>449.72</u>
Decreased by;		
Applied	E-7	235.85
Balance - December 31, 2024	E	\$ 213.87

Township of Sparta, N.J.

Schedule of Accrued Interest on Bonds

Sewer Utility Operating Fund

Year Ended December 31, 2024

Ref.

Balance - December 31, 2023 E \$ 12,131.25

Increased by:

Budget Appropriation for Interest on Bonds	E-4	\$ 61,277.00
Accrued Interest on Notes	E-15	<u>44,009.00</u>
		<u>105,286.00</u>
		<u>117,417.25</u>

Decreased by:

Cancelled Interest Paid	E-1 E-5	46,734.29 <u>60,918.89</u>
		107,653.18

Balance - December 31, 2024 E \$ 9,764.07

Principal Outstanding <u>Dec. 31, 2024</u>	Interest <u>Rate</u>	From	To	Period (days)	Required <u>Amount</u>	Actual <u>Amount</u>
\$ 360,000.00	Various	11/1/2024	12/31/2024	60	\$ 2,360.66	\$ 2,360.66
305,000.00	Various	7/1/2024	12/31/2024	183	4,575.00	4,575.00
<u>1,450,000.00</u>	Various	12/15/2024	12/31/2024	16	<u>2,828.42</u>	<u>2,828.41</u>
<u>\$2,115,000.00</u>					<u>\$ 9,764.07</u>	<u>\$ 9,764.07</u>

Township of Sparta, N.J.**Schedule of Accrued Interest on Bond Anticipation Notes****Sewer Utility Operating Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023		E	\$ 7,943.25
Increased by:			
Budget Appropriation for Interest on Notes		E-4	<u>90,302.00</u>
			<u>98,245.25</u>
Decreased by:			
Interfund - Current Fund		E-9	\$ 54,236.25
Accrued Interest on Bonds		E-14	<u>44,009.00</u>
			<u>98,245.25</u>
Balance - December 31, 2024		E	<u>\$ -</u>

Township of Sparta, N.J.

Schedule of Sewer Serial Bonds Payable

Sewer Utility Capital Fund

Year Ended December 31, 2024

Township of Sparta, N.J.

Schedule of Sewer Capital Bond Anticipation Notes

Sewer Utility Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Original Note		Date of Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31,2023	Decreased
		Date of Issue	Amount of Issue							
11-17	Improvement to the Sanitary Sewerage System	11/01/13	\$ 60,000.00	09/27/23	06/24/24	4.50%	\$ 6,000.00	\$ 6,000.00		
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000.00	09/27/23	06/24/24	4.50%	901,000.00	901,000.00		
22-18	Supplemental Appropriation - Conversion of the White Deer Plaza Plant	09/27/23	700,000.00	09/27/23	06/24/24	4.50%	<u>700,000.00</u>	<u>700,000.00</u>	<u>\$1,607,000.00</u>	<u>E-5</u>

Township of Sparta, N.J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2024

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31,2023		Encumbrance Cancelled	Balance Dec. 31,2024	
				Funded	Unfunded		Funded	Unfunded
21-09	Supplemental Appropriation - Conversion of the White Deer Plaza Plant	5/25/2021	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
22-18	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	12/13/22	700,000.00		26,597.84	35.86	26,633.70	-
				\$ -	\$ 526,597.84	\$ 35.86	\$ 26,633.70	\$ 500,000.00
				<u>E</u>	<u>E</u>	<u>E-20</u>	<u>E</u>	<u>E</u>

Township of Sparta, N.J.**Schedule of Capital Improvement Fund****Sewer Utility Capital Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	E	\$ <u>8,500.00</u>
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Balance - December 31, 2024	E	\$ <u>8,500.00</u>
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E-20

Schedule of Encumbrances Payable**Sewer Utility Capital Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	E	\$ 3,327.66
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Decreased by:

Improvement Authorizations	E-18	<u>35.86</u>
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Balance - December 31, 2024	E	\$ <u>3,291.80</u>
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Township of Sparta, N.J.**Schedule of Reserve for Amortization****Sewer Utility Capital Fund****Year Ended December 31, 2024**Ref.

Balance - December 31, 2023	E	\$7,758,594.25
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Increased by:

Paid by Bond Funds	E-5	\$ 97,800.00
Serial Bonds Paid by Operating Budget	E-16	<u>395,000.00</u>
		<u>492,800.00</u>

Balance - December 31, 2024	E	<u>\$8,251,394.25</u>
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Township of Sparta, N.J.

Schedule of Deferred Reserve for Amortization

Sewer Utility Capital Fund

Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance, <u>Dec. 31,2023</u>	Balance, <u>Dec. 31,2024</u>
11-17	Improvement of Sanitary Sewerage System	10/25/11	\$ 89,000.00	\$ 89,000.00
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	24,100.00	24,100.00
			<u>\$ 113,100.00</u>	<u>\$ 113,100.00</u>
			E	E

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Sewer Utility Capital Fund

Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, Dec. 31, 2023	Balance, Dec. 31, 2024
19-12	Conversion of White Deer Plaza Sewer Plant into a Pumping Station	\$ 24,100.00	\$ 24,100.00
21-09	Supplemental Appropriation - Converstion of the White Deer Plaza Plant	<u>500,000.00</u>	<u>500,000.00</u>
		<u>\$ 524,100.00</u>	<u>\$ 524,100.00</u>
		Footnote E	Footnote E

Township of Sparta, N.J.

Schedule of Cash

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

	<u>Ref.</u>	
Balance - December 31, 2023	F	\$ 901,158.09
Increased by Receipts:		
Miscellaneous Revenue	F-2	\$ 69,373.67
Miscellaneous Revenue not Anticipated	F-2	372.44
Interfund Receipts	F-6	2,606,284.21
Consumer Accounts Receivable	F-5	2,607,612.63
Prepaid Solid Waste User Fees	F-8	<u>2,032.50</u>
		<u>5,285,675.45</u>
		<u>6,186,833.54</u>
Decreased by Disbursements:		
Cancel Reconciling Items	F-1	120,160.77
Budget Appropriations	F-3	2,697,609.18
Interfund Disbursements	F-6	2,683,804.31
Appropriation Reserves	F-7	11.00
Overpayments Refunded	F-8	<u>25.00</u>
		<u>5,501,610.26</u>
Balance - December 31, 2024	F	<u>\$ 685,223.28</u>

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

	Balance <u>Dec. 31, 2023</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2024</u>
Solid Waste User Fees	<u>\$ 200,152.43</u> F	<u>\$ 2,622,298.46</u>	<u>\$ 2,609,790.60</u>	<u>\$ 212,660.29</u> F
		Ref.		
Cash Receipts		F-4	2,607,612.63	
Pre-Paid Rents and Overpayments Applied		F-8	2,177.97	
			<u>\$ 2,609,790.60</u>	
				F-2

Township of Sparta, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

	<u>Ref.</u>	Current Fund	Other Trust Funds	Water Operating Fund
Balance - December 31, 2023	F	\$ -	\$ 12,306.32	\$ -
Increased by:				
Disbursements	F-4	-	-	2,683,804.31
		-	-	2,683,804.31
		-	12,306.32	2,683,804.31
Decreased by:				
Budget Appropriations	F-3	-	-	
Receipts	F-4	120,160.77	-	2,486,123.44
		120,160.77	-	2,486,123.44
Balance - December 31, 2024	F	\$ (120,160.77)	\$ 12,306.32	\$ 197,680.87

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

	Balance Dec. 31, 2023	After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 5.00	\$ 5.00	\$ -	\$ 5.00
Other Expenses	62.33	62.25	11.00	51.25
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contributions to:				
Social Security System	523.00	523.08	-	523.08
	<u>\$ 590.33</u>	<u>\$ 590.33</u>	<u>\$ 11.00</u>	<u>\$ 579.33</u>
	F		F-4	F-1

Schedule of Solid Waste User Fee Overpayments

Solid Waste Operating Utility Fund

Year Ended December 31, 2024

	Ref.	
Balance - December 31, 2023	F	\$ 2,177.97
Increased by;		
Cash Receipts	F-4	<u>2,032.50</u>
		<u>4,210.47</u>
Decreased by:		
Applied	F-5	\$ 2,177.97
Refunded	F-4	<u>25.00</u>
		<u>2,202.97</u>
Balance - December 31, 2024	F	<u>\$ 2,007.50</u>

Township of Sparta, N.J.**Schedule of Deferred Charges****Solid Waste Utility Fund****Year Ended December 31, 2024**

	<u>Added in 2024</u>	<u>Balance, Dec. 31, 2024</u>
Emergency Authorization (40A:4-47)	\$ 60,000.00	\$ 60,000.00
Over-expenditures of Appropriation	181,871.04	181,871.04
	<u>\$ 241,871.04</u>	<u>\$ 241,871.04</u>
	F-3	F; F-1

TOWNSHIP OF SPARTA

PART II

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024



WIELKOTZ & COMPANY^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the Township Council
Township of Sparta
Sparta, NJ 07871

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements - regulatory basis of the Township of Sparta in the County of Sussex as of and for the year ended December 31, 2024 and the related notes to the financial statements, and have issued our report thereon dated September 29, 2025, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Services Award Program not being audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements - regulatory basis, we considered the Township of Sparta's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements- regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Sparta's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Sparta's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and
Members of the Township Council
Page 2

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify one immaterial deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

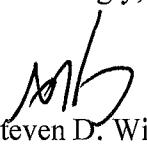
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Sparta's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Sparta in the accompanying comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Sparta internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Sparta internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants

Pompton Lakes New Jersey

September 29, 2025



**TOWNSHIP OF SPARTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>GAAP - Adverse;</u> <u>Regulatory - Modified</u>
Internal control over financial reporting:	
1. Material weakness(es) identified?	<u>X</u> yes <u> </u> no
2. Were significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> yes <u>X</u> no
Noncompliance material to general-purpose financial statements noted?	<u> </u> yes <u>X</u> no

Federal Awards Section

Not Applicable

State Awards Section

Not Applicable

Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

**TOWNSHIP OF SPARTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(continued)**

Section II - Schedule of Financial Statement Findings, (continued)

Finding 2024-01

Statement of Condition:

The Township's general ledger did not include all transactions that occurred during the year resulting in general ledgers and subsidiary ledgers being unreliable.

Criteria or Specific Requirement:

N.J.A.C. 5:30-5.7 requires local units to have and maintain a general ledger accounting system and books of original entry for the current fund and all other funds.

Condition:

Numerous transactions were not recorded in the system during the year.

Context:

The Township's accounting software provides integrated modules for all transactions reducing the risk of material misstatement.

Effect:

Activity and ending balances presented for audit could not be verified based on transactions posted. Manual entries were required to record transactions in the general ledger at year-end to ensure all activity was reflected in the audited financial statements.

Cause:

The Township did not accurately maintain the accounting software for general ledgers and subsidiary ledgers. Numerous transactions were not recorded in the system.

Recommendation:

That all transactions be entered into the accounting software which will provide integrated modules for all transactions.

Management Response:

Management will address the finding, and the response will be documented and approved in the Township's corrective action plan.

TOWNSHIP OF SPARTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(continued)

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Not Applicable

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.11 of *Governmental Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, as amended.

Finding 2023-001: The Current Fund general ledger was not properly maintained, as such, Current Fund cash book balance could not be reconciled to the bank balance as of December 31, 2023.

Status: Unresolved, see Finding 2024-001.

Finding 2023-002: The Township did not maintain a fixed asset accounting system or current fixed asset inventory report in accordance with the requirements of N.J.A.C. 5:30-5.6.

Status: Resolved, Fixed Assets updated for December 31, 2024.

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S. 40A:11-3 states:

- a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

GENERAL COMMENTS (CONTINUED)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (continued)

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$40,000.00. On July 1, 2020 the amount with a qualified purchasing agent was increased to \$44,000.00.

The Governing Body of the Township of Sparta have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The Township is a member of the Morris County and Sussex County Co-op Pricing Council.

Collection of Interest on Delinquent Taxes and Assessments

R.S. 54:4-67 provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date they would become delinquent.

The governing body on January 4, 2024 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments.

BE IT RESOLVED by the Township Council of the Township of Sparta, County of Sussex, that:

1. The rate of interest to be charged by the Tax Collector on delinquent taxes and assessments are fixed at the rate of eight (8) per cent per annum on the first \$1,500.00 of the delinquency, to remain in full force until January 1, 2025.

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. The rate of interest to be charged by the Tax Collector on delinquent taxes and assessments on any amount in excess of \$1,500.00 is hereby fixed at the rate of eighteen (18) per cent per annum, to be calculated from the date the tax was payable, until the date of actual payment, to remain in force until January 1, 2025.
3. If payment of any installment is made within ten (10) calendar days following the date upon which the same became payable, no interest shall be charged.
4. If payment is made after the 10th calendar day; interest is to be calculated from the date the tax was payable until the date of actual payment.
5. If taxes are not paid by December 31, and the delinquent balance is \$10,000.00 including interest and taxes; a 6% penalty will be charged.

The governing body also on January 4, 2024, adopted the following resolution authorizing interest to be charged on delinquent water, sewer and solid waste charges:

BE IT RESOLVED by the Township Council of the Township of Sparta, County of Sussex, that:

1. The rate of interest to be charged by the Tax Collector on delinquent water, sewer and solid waste charges are fixed at the rate of ten (10) per cent of each delinquency, to remain in full force until January 1, 2025.
2. If payment of any installment is made within ten (10) calendar days following the date upon which the same became payable, no interest shall be charged.

It appears from the examination of the Collector's records that the interest was collected in accordance with the foregoing resolutions.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 9, 2024, and was complete except for parties in bankruptcy court.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2024	51
2023	42
2022	46

GENERAL COMMENTS (CONTINUED)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The results of the test, which was made as of December 31, 2024 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

OTHER COMMENTS

Finance

1. Several budget line-items were overexpended.
2. In some cases, departmental revenue postings did not agree with the detailed sub-ledger.
3. One trust reserve is being used without approved dedications by rider.
4. Expenditures were charged to one grant that has not been appropriated for spending.
5. Resolutions awarding professional service contracts did not include budget line-item appropriations and cost language.

Departments

6. In several cases, Construction Department receipts are not being deposited within 48 hours.

Payroll

7. No procedures are in place to review tax payments through the EFTPS system.

RECOMMENDATIONS

It is recommended:

1. That procedures be implemented to ensure budget line-items are not overspent.
2. That all departmental revenues be recorded in their respective sub-ledgers and the sub-ledgers be tied to the general ledger monthly.
3. That all trust reserves be supported by State approved dedication by rider.
4. That all grants be approved before being charged

RECOMMENDATIONS, (CONTINUED)

5. That all resolutions awarding professional service contracts include budget line-item appropriations and cost language.
6. That all receipts be deposited within 48 hours in accordance with N.J.S.A. 40A:5-15.
7. That management review the EFTPS website periodically to ensure withholdings are turned over to appropriate agencies on the Township's behalf.

Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all with the following exceptions:

1. In some cases, departmental revenues postings did not agree with the detailed sub-ledger.
2. One trust reserve is being used without an approved dedication by rider.
3. Expenditures were charged to one grant that has not been appropriated for spending.
4. In several instances, construction department receipts were not deposited within 48 hours of receipt.
5. No procedures are in place to review tax payments through the EFTPS system.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very Truly Yours,



Steven D. Wielkotz, C.P.A.,
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

September 29, 2025